Boskalis
Dredging & Marine Experts

ANNUAL REPORT 2011

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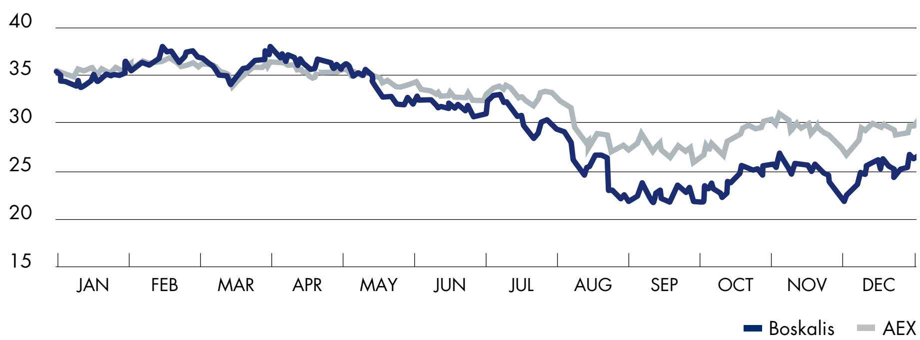
KEY FIGURES

(Amounts x € 1 million, unless stated otherwise)	2011	2010
Revenue (work done)*	**2,801**	2,674
Order book (work to be done)	**3,489**	3,248
Operating profit	**354.1**	401.9
EBITDA*	**590.5**	621.5
Net profit	**254.3**	310.5
Net group profit*	**261.0**	312.9
Depreciation, amortization and impairment losses	**236.4**	219.6
Cash flow*	**497.4**	532.5
Shareholders' equity	**1,733**	1,565
Personnel (headcount)	**13,935**	13,832
RATIOS (IN PERCENTAGES)		
Operating result as % of revenue	**12.6**	15.0
Return on capital employed*	**12.1**	18.1
Return on equity*	**15.4**	21.7
Solvency*	**37.4**	37.1
FIGURES PER SHARE (IN €)		
Profit	**2.48**	3.11
Dividend	**1.24**	1.24
Cash flow*	**4.86**	5.30

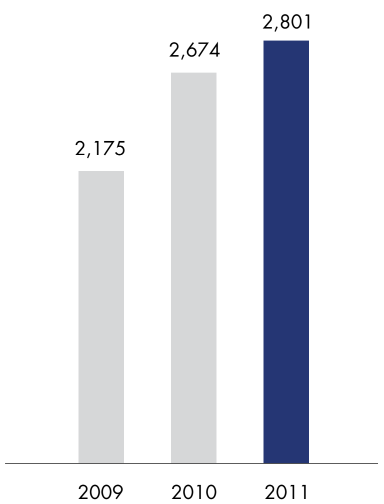
** Refer to glossary for definitions and abbreviation*

SHARE INFORMATION	2011	2010
(Share price in €)		
High	**38.46**	36.58
Low	**20.67**	23.16
Close	**28.39**	35.70
Average daily trading volume	**390,069**	485,549
Number of issued ordinary shares (x 1,000)	**103,472**	100,974
Average number of outstanding shares (x 1,000)	**102,391**	99,962
Stock market capitalization (in € billions)	**2.938**	3.605

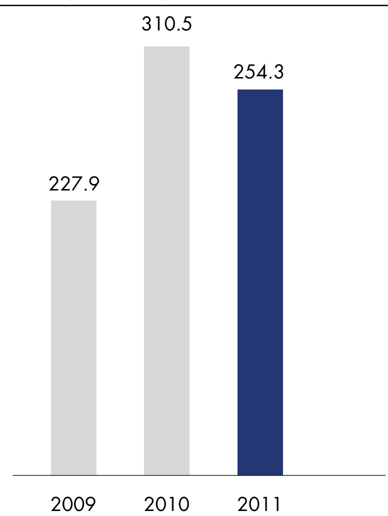
DEVELOPMENT BOSKALIS SHARE PRICE 2011, AEX INDEX REBASED TO BOSKALIS (in €)



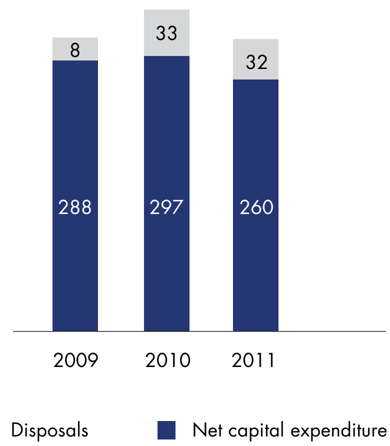
REVENUE (x € 1 million)



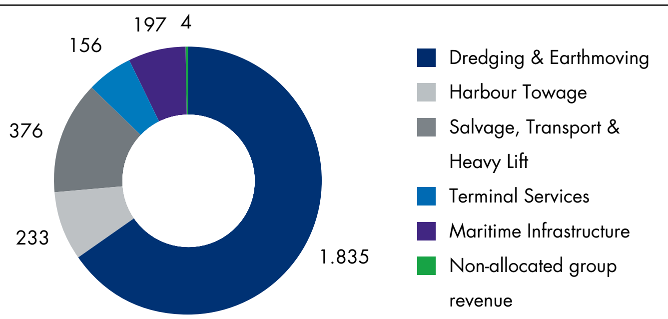
NET PROFIT (x € 1 million)



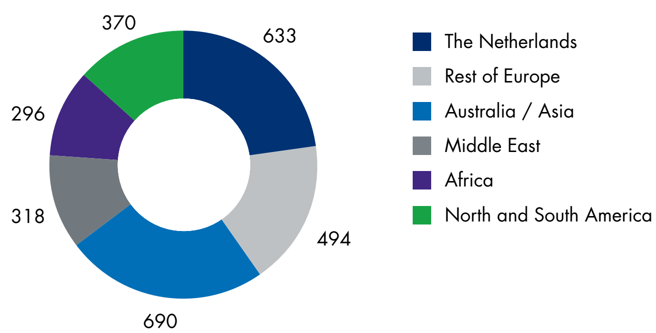
CAPITAL EXPENDITURE (x € 1 million)



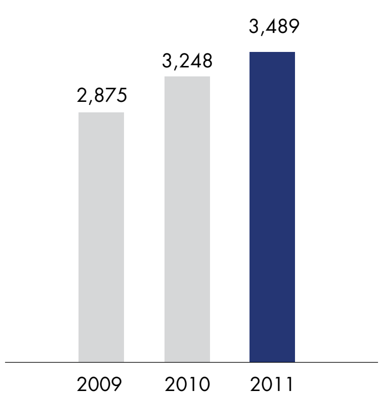
REVENUE BY SEGMENT (x € 1 million)



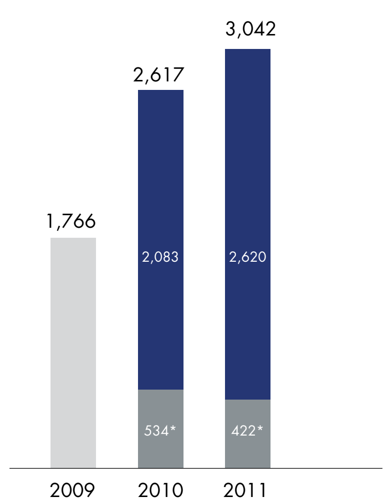
REVENUE BY GEOGRAPHICAL AREA (x € 1 million)



ORDER BOOK (x € 1 million)

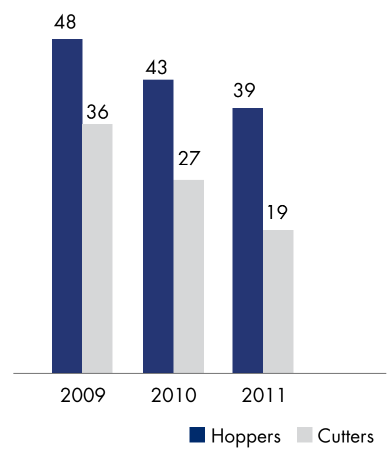


ACQUIRED ORDERS (x € 1 million)



** one-off (de)consolidation effect(s)*

FLEET UTILIZATION (in weeks per year)



ANNUAL REPORT 2011

This Annual Report contains forward-looking statements. These statements are based on current expectations, estimates and projections of Boskalis' management and information currently available to the company. These forecasts are not certain and contain elements of risk that are difficult to predict and therefore Boskalis does not guarantee that its expectations will be realized. Boskalis is under no obligation to update the statements contained in this Annual Report.

Some of the projects referred to in this report were carried out in cooperation with other companies.

This is an English translation of the official Annual Report in the Dutch language. In the event of discrepancies between the two, the Dutch version shall prevail.


SHOREWAY

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CHAIRMAN'S STATEMENT

Dear shareholders,
On a global scale 2011 was one of the most turbulent years of the last few decades. All over the world we were faced with unexpected events which had a major impact on our business – some in a positive sense, most in a negative. Despite this, in 2011 we managed to achieve our second-best result in our 101-year history.

RECORD REVENUE IN DIFFICULT MARKET CONDITIONS

Geopolitical tensions - particularly in the Arab world - various natural disasters, the euro crisis and the turbulent global financial situation all affected our activities. In Australia the launch of our new harbour towage service in Gladstone was delayed by the widespread flooding in Queensland. In Libya Archirodon was forced to halt work on the breakwater in Tripoli and repatriate its people due to the political unrest and subsequent civil war in the country. The serious tsunami damage to the nuclear power plant at Fukushima in Japan sparked a broad and in-depth discussion about the role of nuclear energy in that country. This was followed by a comparable discussion in Germany. The reluctance with regard to nuclear energy is fuelling the interest in natural gas, which has lent extra support to planned investments in projects involving liquefied natural gas (LNG) - an unexpected positive consequence of a devastating natural disaster. But without a doubt it is the global financial crisis that has had the greatest impact on our business. Whereas in early 2011 we were counting on a cautious recovery, from the summer onwards we were faced with growing reluctance from our clients as a result of the increasing uncertainty surrounding the global financial situation. This put greater pressure on volumes and prices in our markets.

At the beginning of the year we had a well-filled order book worth EUR 3.2 billion. Thanks to this well-filled order book we were able to realize strong revenue despite the weak economic climate. Aided by the consolidation of SMIT, revenue surpassed the historical record high of EUR 2.7 billion in 2010 to reach EUR 2.8 billion. Net profit came in at EUR 254 million (2010: EUR 311 million).

Our greatest challenge is and will continue to be the acquisition of new, high-quality orders. As we said before, prices and volumes are under pressure. This is reflected in the order book and the utilization levels of the fleet. For this reason we continued with the further implementation of the fleet rationalization program launched in 2009 and once again took several ships out of service.

FOCUS ON GROWTH MARKETS

We continue to concentrate on those markets which offer structural long-term growth: Energy, Ports and Infra. Our Corporate Business Plan sets out the key focal points for targeted growth with our activities in our selected regions and market segments.

ENERGY

The oil and gas market is traditionally a market in which we are well represented and in which we want to achieve further growth. The growing demand for LNG in particular, as well as our proven track record for this type of project, such as the Gorgon project in Australia, mean we are well placed to secure attractive contracts. In 2011 our work in this segment included two challenging contracts: the construction of the LNG import terminal at Cuyutlán in Mexico and the expansion of the Soyo LNG port in Angola.

Last year we also reached agreement on the transfer of SMIT Terminals to Lamnalco. Smit Lamnalco will be a leading player in the terminal services segment. At present we are working intensively on the new integrated organization, which should be operational by the end of 2012.

We also see good opportunities in the fast-growing segment of renewable energy, where the focus for Boskalis lies on the foundations, construction and cabling of offshore wind parks. In 2011, we took on several cable-laying projects and were involved in transporting parts for offshore wind parks. We also decommissioned a number of oil and gas platforms in the North Sea.

In addition to this, we made important strides in the area of commodities extraction (both onshore and on the seabed). We use proven techniques combined with innovative, ground-breaking methods for seabed mining of rock phosphates in deep water in New Zealand. We have also taken on an interesting mining project in Suriname, where our responsibilities range from excavation of bauxite up to and including its delivery to the refinery.

PORTS

Work on the expansion of the Port of Rotterdam, the Maasvlakte 2 project, is progressing above expectations. This massive project should reach completion next year. In Brazil we are to construct a new port at Superporto do Açu, the country's biggest industrial port complex - an interesting contract that we won in the face of stiff competition. In the Harbour Towage segment, activities in most ports exceeded 2010 levels. In Zeebrugge we won a new, seven-year concession for the provision of these services. At the end of the year we reached an agreement in principle with Sudamericana Agencias Aereas y Maritimas S.A. (SAAM) in Chile regarding a combined towage operation with SMIT's services in North and South America. With 150 vessels in nine countries, the joint operation between SMIT and SAAM would create a leading player in the region.

INFRA

In Coastal Defense there was plenty of work on sand replenishment projects in the Netherlands, for example the 'Sand Motor' off the coast of the province of Zuid-Holland. In Panama we started construction work on Punta Pacifica, the first artificial island in South America. Moreover, in December we completed the acquisition of MNO Vervat, which will henceforth be part of the Dutch Boskalis organization. With MNO Vervat we strengthen our position on the Dutch Infra market, which is developing towards larger, multidisciplinary works. In addition we gradually want to start using MNO Vervat for support on international projects with a civil engineering component.

SAFETY

Over the past year our safety program *NINA* (No Injuries, No Accidents) has become a household name across our organization. People's well-being and safety are top priority within our traditionally more technology and production-oriented organization. This is reflected in our safety performance: in 2011 the LTIF figure for Boskalis showed a further decline, from 0.7 (in 2010) to 0.3 per 200,000 hours worked. Whilst we are positive about this development, we are still not satisfied. Despite our efforts, a number of our colleagues still experienced serious personal accidents – something we want to prevent. It is our ambition to prevent incidents by creating a culture in which we all take responsibility for our own safety as well as that of our colleagues and our environment.

INTEGRATION OF SMIT

Within the framework of the Corporate Business Plan of early 2011 we have given further shape to the integration with SMIT. In many areas the cooperation is already working well. We act in concert in the market when opportunities present themselves, we leverage our joint purchasing power and we have combined our staff departments. The first stage of the integration was completed after the summer. At the end of 2011 we started preparing for the next stage, during which we want to establish the best possible organization to enable us to cater to all segments and clients with maximum efficiency and effectiveness. As a first step, the shore-based staff and office staff of SMIT Netherlands joined Boskalis with effect from 1 January 2012 and became members of the Boskalis pension fund. Stage 2 of the integration will be completed in 2012.

The combination of activities within Boskalis offers us excellent opportunities for further growth and expansion. In-depth market analyses have allowed us to build a good picture of the most important developments in the markets relevant to us, and how we can be even more successful in these markets. This is what our attention is constantly focused on. We have the qualities, talent and drive to put our company even more firmly on the map and expand it.

On behalf of the Board of Management I want to thank all the colleagues for their efforts. I also thank our clients, partners and shareholders for putting their trust in us.

dr. P.A.M. Berdowski


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BOSKALIS AT A GLANCE

COMPANY PROFILE

Royal Boskalis Westminster N.V. (Boskalis) is a world-leading expert in the field of dredging and maritime services. As a partner we are able to realize complex infrastructural works for our clients within the chain of design, project management and execution, on time and within budget, even at vulnerable or remote locations around the world. We seek to ensure that the design and realization of our solutions are as sustainable as possible.

In addition to our infrastructural activities we offer a broad range of maritime services, such as harbour towage, salvage, transport and heavy lift. Terminal services are provided through the new combination Smit Lamnalco, which was established in 2011 and in which we hold a 50% stake. Maritime infrastructure services are provided through our strategic partnership with Archirodon, in which we hold a 40% stake. With the acquisition of MNO Vervat in 2011 Boskalis added a civil contractor of stature to its ranks that forms an excellent addition to our infrastructure and earth-moving activities.

Demand for our services is driven by growing energy consumption, growth in global trade, growth in world population and climate change. Boskalis operates worldwide but concentrates on six geographic regions which have the highest growth expectations for the energy and ports markets. This spread gives us both a solid foundation and the flexibility to be able to secure a wide range of projects, as well as providing excellent prospects for balanced and sustained growth. Our main clients are oil companies, port operators, governments, shipping companies, international project developers, insurance companies and mining firms.

Boskalis has around 14,000 employees, including our share in associated companies such as Smit Lamnalco and Archirodon. The safety of our own employees and those of our subcontractors is paramount. Boskalis has a progressive safety program which is held in high regard in the industry and by our clients. We operate on behalf of our clients in over 75 countries across six continents. Our versatile fleet consists of over 1,100 vessels and equipment. Our head office is based in the Dutch city of Papendrecht. Royal Boskalis Westminster N.V. shares have been listed on the Amsterdam stock exchange since 1971 and are currently included in the AEX index of NYSE Euronext Amsterdam.

ACTIVITIES

DREDGING & EARTHMOVING

All manner of activities relating to wet and dry earthmoving traditionally belong to Boskalis' core business and include port construction and maintenance, land reclamation and coastal defense and riverbank protection. We also provide specialist offshore services to our clients in the energy sector, including cable-laying, pipeline protection and the construction of (sections of) wind parks. Boskalis is also active in the extraction of raw materials using dredging techniques. This is already applied onshore, but Boskalis is also looking at options for offshore mining of minerals. We are also active in dry infrastructure with activities including the design, construction and maintenance of roads and railroads, sewer systems, bridges, dams and tunnels and the execution of soil improvement and land remediation work. Our global spread, high professional standards, versatile state-of-the-art fleet and conscious focus on cost efficiency make us a world leader in dredging and earthmoving. We are renowned for our innovative approach and specialist knowledge of environmentally friendly dredging techniques. Our great expertise, multidisciplinary approach and extensive experience with engineering and project management enables us to realize complex projects on time and within budget, even at difficult locations.

HARBOUR TOWAGE

We provide assistance to incoming and outgoing seagoing vessels – including ro-ro ships, oil and chemical tankers, container ships, reefers and mixed cargo ships – in the world's biggest ports. With a versatile fleet of over 200 tugs, SMIT has built up an excellent reputation in this area. SMIT operates tug services in countries including the Netherlands, Belgium, the United Kingdom, Canada, Brazil, Panama, Singapore, Malaysia, Indonesia, China and Taiwan.

SALVAGE, TRANSPORT & HEAVY LIFT

The specialist activities we offer through SMIT include the transport of heavy loads and heavy lifting work using floating cranes, the salvage of ships and wreck clearance. They also comprise the decommisioning of offshore oil and gas platforms, maritime civil engineering projects, and the construction of basic infrastructure for offshore wind parks. Through its Subsea division SMIT also provides services including inspection, repair and maintenance activities on behalf of the oil and gas industry.
SMIT is able to provide assistance to ships in distress anywhere in the world and at any time. It does this by operating out of four locations which are strategically situated in relation to the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. SMIT has the advanced technology and expertise needed to remove hazardous substances such as bunker fuel from wrecks and has a successful track record in salvaging ships.

TERMINAL SERVICES

Through Smit Lamnalco, in which we hold a 50% stake, we offer a full range of services for the operation and management of onshore and offshore terminals. Providing support for the berthing and unberthing of oil and LNG tankers is the core activity in this segment. Additional support services include pilotage, subsea inspection and maintenance, coupling and uncoupling of terminal connections, firefighting, escort services, transportation of crews and goods and operating bunker vessels. We also assist with the operational marine management of terminals. The instruction and training of local staff often forms an integral component of these activities.

MARITIME CIVIL INFRASTRUCTURE

Archirodon, in which we hold a 40% stake, is our strategic partner in the field of maritime civil infrastructure. As a maritime contractor Archirodon has extensive experience in designing and constructing quay walls, jetties, breakwaters and oil and LNG terminals.
In addition, the company is an all-rounder in the civil infrastructure and industrial installations markets, building for example water purification plants, sewer systems, dams, bridges, power stations, desalination plants and pumping stations, particularly in the Middle East and North Africa.

STRATEGY

Boskalis is a world-leading expert in the field of dredging and maritime services. In early 2011 we presented our Corporate Business Plan for 2011-2013 and subsequently made good progress in realizing parts of this plan during the course of the year.

We are a leading services provider in the field of innovative and competitive all-round solutions – in the maritime, coastal and delta regions of the world. We seek to ensure that the design and realization of our solutions are as sustainable as possible, with safety being given top priority.

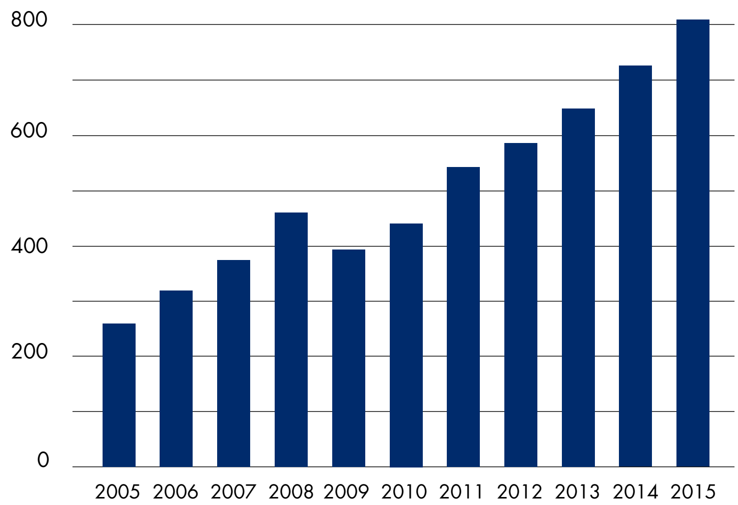
- FOCUS
- OPTIMIZE
- REINFORCE
- EXPAND

The successful integration of the SMIT activities is an important part of this. We are focusing on our joint activities and are optimizing and reinforcing our combined knowledge, strength and expertise. In doing so Boskalis remains alert to opportunities for expansion if these complement or reinforce our existing activities.

MARKET DEVELOPMENTS

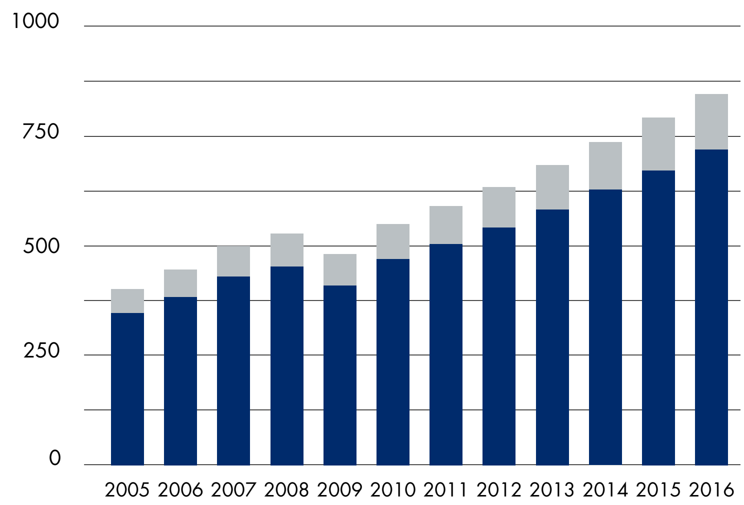
Boskalis concentrates on markets which show structural growth in the longer term. We consider the growing demand for energy and growth in global trade as the two most important drivers for growth, particularly in the energy and ports markets. A global market study commissioned by Boskalis showed these trends continuing, despite the temporary stagnation caused by the economic uncertainty in Europe and the United States. In the emerging countries of Brazil, Russia, India and China, the demand for maritime infrastructure remains strong. The projected growth in world population continues to boost demand for our land reclamation and infra activities. The same applies to climate change, which is forcing governments on several continents to take steps to protect their populations against rising sea levels and flooding. We see the demand for integrated solutions for complete maritime infrastructures growing, with attention to sustainable solutions taking an ever more prominent place on the agenda.

WORLDWIDE INVESTMENTS IN OIL AND GAS EXPLORATION AND PRODUCTION (USD billion)



Source: Barclays Capital - 2012

CONTAINER THROUGHPUT (million TEU)



Source: Drewry M.R. 10/2011 Transshipment Port - to - port

STRATEGIC FRAMEWORK

Boskalis' strategic agenda stems from our mission:
We are a leading services provider in the field of innovative and competitive all-round solutions - in the maritime, coastal and delta regions of the world. We seek to ensure that the design and realization of our solutions are as sustainable as possible, with safety being given top priority.

Our strategy for achieving this mission is focused on growth. The implementation of our strategy is based on four pillars: Focus, Optimize, Reinforce and Expand.

FOCUS

- On Value-Adding Assets
- On market segments
- On geographic regions

Value-Adding Assets
Boskalis focuses on Value-Adding Assets through a combination of activities and equipment which enables us both to operate cost-effectively at the lower end of the market and to be successful in the complex turnkey/multidisciplinary integrated projects at the top end of the market.

Market segments
The markets which we target with our core activities are chosen based on the analysis of where our opportunities for growth and expansion are greatest. In each of these markets we provide our products and services both in combination and separately.

Energy
The oil and gas market, featuring for example growing demand for liquefied natural gas and large-scale remote infrastructure developments, is very important in terms of both size and growth potential. Boskalis designs and builds new ports for this market. We create new land, realize oil and gas pipeline infrastructures and handle their maintenance. We also provide terminal services to the oil and gas industry. In addition to this traditional segment, the energy market comprises the strongly growing sustainable energy segment, where the emphasis for Boskalis lies on the foundations, construction and cabling of offshore wind parks. We also see growth potential in the use of (traditional) dredging solutions for the mining of minerals.

Ports
For the design and construct of new ports and the expansion and maintenance of existing ports we call into play our main activity, Dredging & Earthmoving, with civil engineering work also playing a major role. At the operating stage we provide our port clients with harbour towage services.

Infra
This activity comprises the construction of civil infrastructures and the defense and creation of new land. This market segment covers both wet and dry activities: Land Reclamation & Coastal Defense, the realization of maritime infrastructures through our partnership with Archirodon and dry earthmoving in the Dutch market, traditionally through our Dutch subsidiary and recently reinforced with MNO Vervat.

Geographic regions
Within the three market segments we target our activities at a number of geographic regions. The choice for these regions is based on our market analysis, which shows where the main developments are taking place in the coming period and where the best opportunities lie for our combined activities.

Based on these findings we concentrate our activities on the following six geographic regions:

1. Northwest Europe
2. South and West Africa
3. Central and South America
4. Middle East
5. Southeast Asia
6. Australia

OPTIMIZE

- Expansion of cost leadership
- Further integration of activities
- Invest in developing competencies

As an expert Boskalis occupies a unique position on the global maritime market. There is no other company that offers such a broad and integrated range of maritime products and services. We want to reinforce and expand this position by fully leveraging the synergy benefits of the combinations within the group. We improve our chances in the high-end segment by investing in developing competencies which strengthen our position as a Design, Construct & Maintenance contractor. At the same time, our focus on efficiency improvements and cost savings allows us to remain strongly competitive.

Cost leadership
The integration with SMIT is resulting in demonstrable economies of scale and has increased our purchasing power towards suppliers. Benchmarking and exchanging best practices allow us to reduce costs.

Result in 2011
Our target was to realize EUR 10 – 15 million of annual structural synergy benefits within three years of acquiring SMIT. At the end of 2010 this target was raised to EUR 20 – 25 million. We have now largely achieved the stated targets.

Integration and centralization of people and resources
Our broader range of products and services and our global presence create new commercial opportunities with both new and existing clients. In the business the two organizations are moving closer together and we are acting in concert in the market. This is where the greatest opportunities for synergy lie. Our support organization will become more efficient as we further integrate various corporate support activities and where possible physically house them under the same roof.

Result in 2011
The integration of Boskalis and SMIT is proceeding well and in parts more quickly than we had planned. In the section 'Operational performance' we provide a more detailed account of the current progress with regard to the organizational integration of the corporate support services and fleet management.

Invest in developing competencies
In order to provide our joint activities in the higher segment we are combining and reinforcing the necessary competencies. In Design, Construct & Maintenance contracts these are primarily our knowledge of engineering, cost estimating, work preparation, risk management, project management and innovation. In addition our knowledge of eco-dynamic design through the *Building with Nature* program and our environmental expertise through our in-house engineering consultancy Hydronamic are steadily gaining in importance. In the past few years Boskalis has strongly developed these competencies and specialist knowledge with regard to large, complex dredging projects. We now want to further develop this expertise and use it to scale up the group's other activities towards turnkey projects. For example, we see opportunities in the energy market for positioning SMIT as an independent contractor on the one hand and providing complex dredging projects combined with SMIT activities on the other.

Result in 2011
We have made good progress in developing our core competencies. A good example is the Boskalis Leadership Development Program, through which we invest in the leadership skills of staff at both Boskalis and SMIT. This topic is covered in greater depth in our CSR report.

REINFORCE

- Invest in the fleet
- Combine terminal services

In order to maintain and reinforce our leading position we make targeted investments in our equipment. Our R&D department supports our newbuild program by refining techniques. In this way we not only respond to demand in the market but also create demand by leading the way with advanced and cutting-edge technology. We invest on an ongoing basis, also in the sustainability of our equipment. More information can be found in our 2011 CSR report.

Invest in the fleet
Boskalis has 'winning dredging vessels' in the medium, large and jumbo hopper segments. We see sufficient opportunities in the market to warrant further selective investment. Over the next years investments will be aimed at replacing and modifying existing ships. In 2011 we acted on the investment plans announced in 2010.

Results in 2011

- The self-propelled jumbo cutter Taurus II was modernized in late 2011 – early 2012. The vessel now has 60% more press pump capacity as well as an all-new electrical installation.
- In 2011 the decision was taken to add another 4,500 m^3 hopper to the fleet. The Shoalway, a 4,500 m^3 hopper, was taken into service in 2010.
- The megahopper WD Fairway will be recommissioned in early 2013. The ship was taken out of service following a collision in 2007 and is currently undergoing reconstruction in Thailand.

In order to increase our chances of securing contracts in the energy market, both in the oil and gas sector and in offshore wind parks, we are investing in expanding our specialist equipment and tugboats.

Results in 2011

- The fleet was augmented by a fallpipe vessel (for the covering and protection of pipelines and cables) which was commissioned in the first quarter of 2012. The fallpipe is made of composite, a lightweight material which enhances the vessel's efficiency.
- To reinforce our cable-laying activities we ordered two multifunctional cable laying/rock dumping vessels. The first is expected to be commissioned in September 2012, the second in December 2012.
- In connection with the expansion of our harbour towage activities in Brazil we ordered six tugboats, which are currently under construction locally, with an option for another six.
- Several smaller vessels are under construction for SMIT's various activities around the world.
- For Asian Lift Singapore, a joint venture with Keppel Corporation Singapore, the Asian Hercules III, a large floating crane with a lift capacity of 5,000 tonnes is currently under construction. This represents a step-up in capacity compared to the lift capacity of up to 3,200 tonnes customarily found in the market. The Asian Hercules III will be brought into service at the end of 2013 and will mainly be used to assemble FPSOs in Singapore, where Keppel leads the market for constructing these units. In the interests of efficiency Keppel is having increasingly large modules built onshore for subsequent installation on the FPSOs. Larger modules require greater lift capacity.

Reinforce Terminal services

The integration of SMIT Terminals with our partner company Lamnalco, a move which was decided in July 2011, has created a new global leader in terminal services. Boskalis remains a 50% shareholder in this combined entity. Smit Lamnalco has a fleet of 200 ships, 50 current terminal contracts on its books and 2,000 employees.

Result in 2011

Global leader in terminal services: the sale of the activities of SMIT Terminals to Lamnalco became effective on 5 October 2011. Lamnalco's two shareholders – Boskalis and Rezayat – expressed their intention to reinvest the available cash flows in Smit Lamnalco, which gives the new company the opportunity and strength for growth. In addition, once the integration has been completed, Smit Lamnalco will refinance itself in order to optimize its capital structure. During 2012, we will work on the structure of the new organization and the establishment of the new head office.
We see growth opportunities for Smit Lamnalco in regions such as the Middle East, West Africa, Russia and Australia, with the primary focus being on the oil and gas market. A promising new market segment is the minerals market. In West Africa (Sierra Leone), the combined entity already provides towage services and transportation of ores mined in the country's interior, which we convey down inland waterways and deliver to an offshore transshipment facility.

EXPAND

- Strengthen regional position
- Expand regional position
- Add global activities

Strengthen regional position using existing activities

We want to strengthen our position in the six geographic focus areas. By leveraging our market presence and strong client relationships we will be able to offer a wider range of activities. For example in Australia, where we are building large-scale maritime infrastructures, we also see opportunities to offer terminal services and subsea diving services. We also see good opportunities for developing a broader range of activities in South America.
In West Africa, where we have successfully been providing dredging and terminal services for many decades, we see opportunities for growth in Transport & Heavy Lift.

Result in 2011

Over the past few years Boskalis has successfully completed several maritime infrastructure projects in Brazil. Boskalis also has a strong local presence as a provider of towage services in ports and for terminals. These services are provided in six Brazilian ports through our subsidiary SMIT Rebras. Boskalis is expanding its market position in Brazil with the contract to construct a new port in the country's biggest industrial port complex, Superporto do Açu. The work will include the dredging of an access and inner channel, turning basin and harbor basin as well as land reclamation work. Boskalis will also construct the revetments at the entrance of the harbour.

Expand regional position with new activities
In our focus regions we also see demand arising for new activities to which we can apply our combined expertise. This demand is mainly fuelled by the developments in the energy market, with examples being the construction of offshore wind parks, the integration of the European gas and electricity markets and the removal of old oil platforms in the North Sea. We are increasingly involved in the laying of cabling infrastructures and the dismantling of oil platforms on a turnkey basis. In addition, the growing demand for raw materials also presents an opportunity to develop new activities, such as mineral extraction.

We position ourselves as a provider of all-round solutions for maritime infrastructures, including the realization of maritime civil constructions. We have already been successfully providing these activities in the Middle East for many years, through Archirodon. We also want to offer this expertise in other parts of the world, partly through our newly acquired MNO Vervat. Given their complementarity with the dredging and earthmoving activities we see opportunities for expanding these activities in North-West Europe and eventually also providing them internationally.

Result in 2011
In 2011 we contracted various projects which enabled us to strengthen our regional position with new activities.
Offshore cable-laying: we won a number of cable-laying contracts, including the laying of two power cables in Indonesia, a fiber-optic cable through the Strait of Magellan in Argentina and an export cable in the Baltic Sea.
Onshore and offshore mining: in Suriname we are executing an integrated mining project for the excavation of bauxite. In New Zealand we have developed a concept for the deep-sea mining of phosphates.
Decommissioning of oil and gas platforms: Nederlandse Aardolie Maatschappij commissioned us to decommission a gas platform in the North Sea. Wintershall has awarded us a contract for the decommissioning of two gas platforms in 2012.
Civil infrastructures: the acquisition of MNO Vervat has enabled us to strengthen our civil infrastructure competencies and activities at a national and international level.

Add global activities
Boskalis wants to strengthen its leading position in existing activities at a regional and global level though organic growth and/or acquisitions. We are also open to acquisitions which allow us to add promising activities to our portfolio. However, we will do this only provided they are a good fit with the existing activities in a number of key aspects and add value in the top segment of the market.

Result in 2011
Towage services in Central and South America: Boskalis and Sudamericana Agencias Aereas y Maritimas S.A. (SAAM) are exploring the possibilities and opportunities for a joint towage operation in North and South America. The combination of SMIT and SAAM would create a leading provider of towage services in Central and South America. The combined towage operations would serve 45 ports in nine countries with a fleet of more than 150 vessels. Besides producing operational synergies, the joint operation would also significantly strengthen the market position of the combined entity.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SHAREHOLDER INFORMATION

It is important to us that the value of our share adequately reflects our performance and the development in our markets. We therefore strive to inform our stakeholders as completely and transparently as possible about our strategy and policy and the ensuing financial performance.

OPEN DIALOG

Transparent and regular communication with our stakeholders is something we value highly. We consider our financial stakeholders to include existing and potential shareholders, other investors and their brokers, and the media. It is important to us to provide them with clear and accessible information. The Boskalis share is covered by the major Dutch brokers as well as a number of foreign brokers and their analysts, whom we also consider as belonging to our financial stakeholders. They want to provide their clients with good advice and information about our company, and about developments in the dredging and maritime services markets and contracting in general. Questions from stakeholders are answered candidly and wherever possible we take the initiative when it comes to raising important issues. We maintain regular contact with major investors and analysts, for example by organizing annual visits to project sites.
In 2011 we held over 350 meetings with investors from Western Europe, the United States, Australia and Canada, including roadshows and conferences. Meetings with investors and analysts are held using publicly available presentations (www.boskalis.com) and no stock price-sensitive information is discussed.

CORPORATE WEBSITE

Our corporate website provides a constantly updated source of information about our core activities and ongoing projects. The Investor Relations section offers share information and other information relevant to shareholders, as well as the latest and archived press releases and analyst and company presentations.

SHARE INFORMATION

Boskalis' authorized share capital of EUR 240 million is divided into 200 million shares, comprising 150 million ordinary shares and 50 million cumulative protective preference shares. The issued capital as at 1 January 2011 consisted of 101 million ordinary shares.
Nearly two-thirds of shareholders (64%) opted to have their 2010 dividend distributed in the form of a stock dividend, in light of which we issued over 2.5 million new shares in 2011. On balance, the issued share capital as at 31 December 2011 consisted of 103.5 million ordinary shares.

Royal Boskalis Westminster N.V. shares are listed on NYSE Euronext Amsterdam, where they are included in the AEX leading index. The share is also included in the Euronext Next 150 index and the Dow Jones STOXX 600 Index.

Tickers: Bloomberg: BOKA:NA, Reuters: BOSN.AS

In 2011, 100 million Boskalis shares were traded on NYSE Euronext Amsterdam (2010: 125 million). The average daily trading volume in 2011 was over 390,000 shares. In the course of 2011 the share price fell by 21% from EUR 35.83 to EUR 28.39. The market capitalization declined by 18.5% compared to the end of 2010 to EUR 2.9 billion.

SHAREHOLDERS

The following shareholders are known to have a holding of at least 5% in Boskalis as at 31 December 2011:

HAL Investments B.V.: 33.37%
Delta Lloyd N.V.: 5.82%
Mondrian Investment Partners Limited: 5.01%

Besides these large shareholders, an estimated 18% of the shares are held by shareholders in the United States and Canada, 20% in the United Kingdom and the remainder in mainly the Netherlands, France, Germany and Scandinavia.

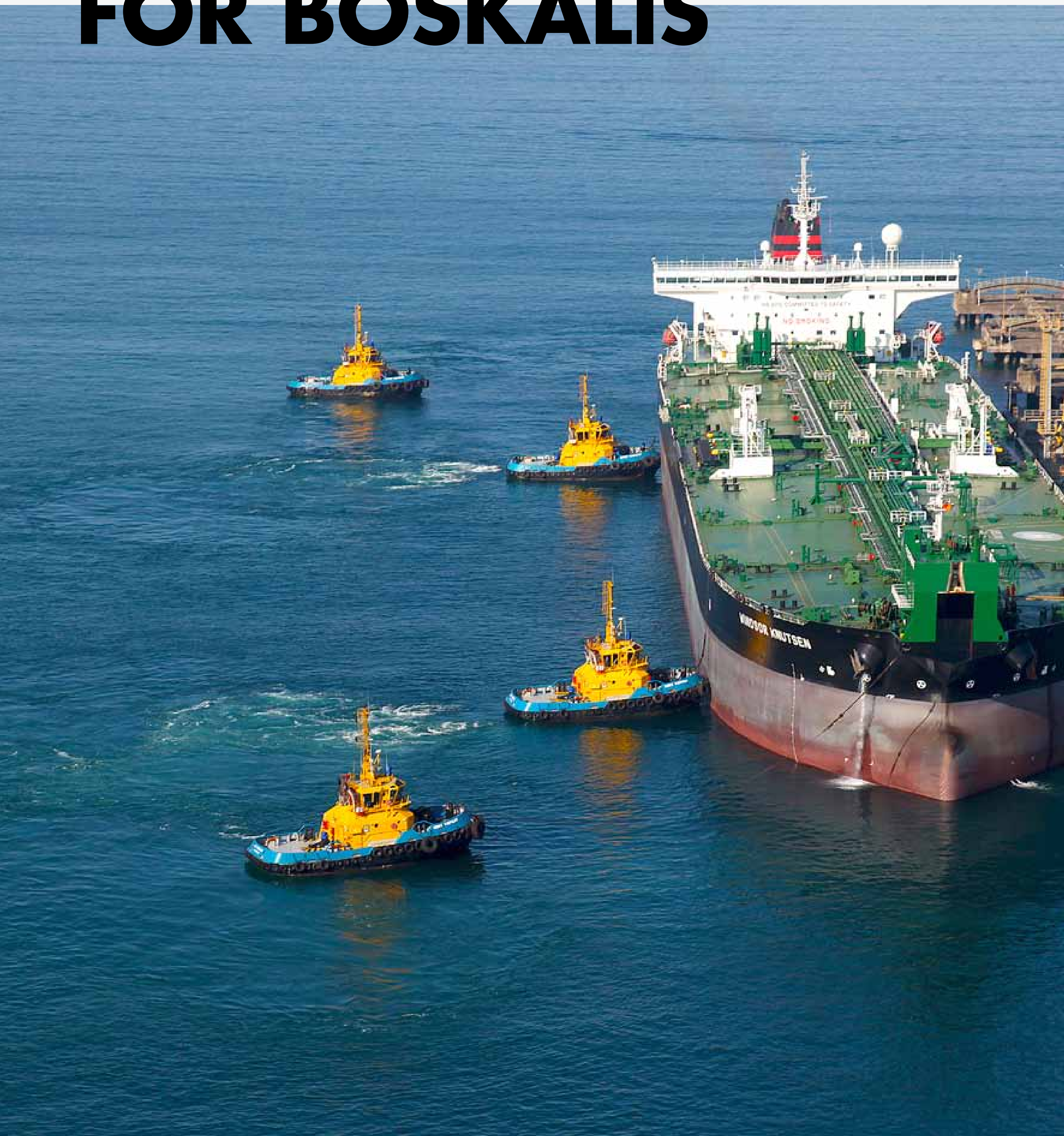
DIVIDEND POLICY

The main principle underlying the Boskalis dividend policy is to distribute 40% to 50% of the net profit from ordinary operations as dividend. At the same time Boskalis aims to achieve a stable development of the dividend in the longer term. The choice of dividend (in cash and/or entirely or partly in shares) takes into account both the company's desired balance sheet structure and the interests of shareholders.

FINANCIAL AGENDA 2012

15 March	Publication of 2011 annual results
End of March	Publication of 2011 annual report
10 May	Trading update on first quarter of 2012
10 May	Annual General Meeting of Shareholders
14 May	Ex-dividend date
16 May	Record date for dividend entitlement (after market close)
29 May	Final date for stating of dividend preference
1 June	Determination and publication of conversion rate for dividend based on the average share price on 30 and 31 May and 1 June (after market close)
6 June	Date of dividend payment and delivery of shares
16 August	Publication of 2012 half-year results
16 November	Trading update on third quarter of 2012

SMIT REBRAS OPENS DOORS FOR BOSKALIS



In 2011 Boskalis increased its stake in the Brazilian Harbour Towage joint venture Rebras (Rebocadores do Brasil SA) to 100%. SMIT Rebras has been growing fast over the recent period and has ambitious plans for the future. "We expect that sections of our market will grow strongly in the next five years and we will do everything we can to accommodate that growth," said Mauro Sales of SMIT Rebras. Since the integration of Boskalis and SMIT the cooperation between the two parties has been embraced with enthusiasm in Brazil. The office organizations are already fully integrated, not just physically but also in terms of systems.

"We have defined three possible forms of synergy with regard to the integration of Boskalis and SMIT: costs, geographical and technical-operational," said Frank Verhoeven, chairman of the SMIT management team. "All three forms of synergy are clearly reflected in Brazil. The integration of the offices delivers sourcing and procurement benefits and other sizeable savings. In geographical terms Boskalis can ride the wave of SMIT's strong position in Brazil. And from a technical-operational point of view there are also many possibilities: SMIT makes use of Boskalis' Survey department, Boskalis makes use of SMIT vessels, we both use each other's know-how. Thanks to this combined package we are now able to respond to more tender requests compared to when we were operating separately."

Loek Kullberg, SMIT's Managing Director Harbour Towage & Terminals: "The main story in Brazil is growth. The country has vast oil reserves. The volume of maritime trade in Brazil has increased enormously and in addition there are extensive investment plans for the offshore industry, which will further drive demand for towage services. All these activities not only offer great chances for SMIT - think of the expansion of our activities in the area of Subsea engineering, Heavy Lift and Salvage - but especially also for Boskalis." Mauro Sales added: 'Brazil has 8,000 kilometers of coastline, and already has 36 large and smaller commercial ports. To take advantage of the economic developments many ports need to be deepened, in addition to which many new port areas and terminals will also be developed over the coming years. That means many opportunities for hydraulic engineering."

One such development is the Complex Superporto do Açu. This industrial superport complex in the north of Rio de Janeiro state is the largest port-industry enterprise in Latin America and is expected to become one of the largest port complexes in the world. In August 2011 Boskalis was awarded the contract for the construction of the new TX2 port at this complex.

REPORT OF THE SUPERVISORY BOARD

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board wishes to express its appreciation of the efforts shown by the Board of Management and all employees of the company and extends its compliments for the results achieved in 2011.

In accordance with Article 27 of the Articles of Association of Royal Boskalis Westminster N.V., the Supervisory Board presents the 2011 annual report to the Annual General Meeting of Shareholders. The annual report, including the financial statements and the management statement, was drawn up by the Board of Management. The financial statements are accompanied by the report of the company's external auditor KPMG Accountants N.V., which is included on page 120 of this report.

We recommend the following to the Annual General Meeting of Shareholders:
- The adoption of the financial statements, including the proposed profit appropriation;
- The discharge of the members of the Board of Management in respect of their management activities during 2011;
- The discharge of the members of the Supervisory Board for their supervision of management during 2011; and
- The distribution to shareholders of a dividend of EUR 1.24 per ordinary share to be paid in ordinary shares, unless the shareholder opts for a cash dividend.

COMPOSITION OF THE BOARD OF MANAGEMENT

In 2011 the Board of Management consisted of three members. On 12 May 2011 the Supervisory Board reappointed Mr. T.L. Baartmans to the Board of Management for a period of four years. There were no other changes to the composition of the Board of Management during the year under review.

COMPOSITION OF THE SUPERVISORY BOARD

Regrettably Mr. H. Heemskerk, the chairman of the Supervisory Board, passed away unexpectedly on 22 March 2011. From that date Mr. H.J. Hazewinkel has fulfilled the duties of chairman of the Supervisory Board on a temporary basis.

Furthermore, during the year under review Mr. M. van der Vorm announced that he was not available for re-appointment. Mr. Van der Vorm stepped down as a member of the Supervisory Board on 12 May 2011. The Supervisory Board thanks Mr. Van der Vorm for the efforts shown as a member of the Supervisory Board over the past years. With his extensive knowledge and experience he made an important contribution to the further expansion of Boskalis to become an international maritime services provider of global stature. The Annual General Meeting appointed Mr. J. van Wiechen on the recommendation of the Supervisory Board on 12 May 2011 for a period of four years to fill the vacancy thus arisen.

On 12 May 2011 the Annual General Meeting also considered the re-appointment of Mr. C. van Woudenberg, on the recommendation of the Supervisory Board. Supported by the Works Council, the Annual General Meeting re-appointed Mr. C. van Woudenberg to the Supervisory Board for a period of four years.

On 17 August 2011 and on the recommendation of the Supervisory Board, the Extraordinary General Meeting of Shareholders appointed Mr. J.M. Hessels as a member of the Supervisory Board for a period of four years. Mr. Hessels has held the post of chairman of the Supervisory Board since 17 August 2011. Mr. Hazewinkel was appointed on 17 August 2011 as deputy chairman of the Supervisory Board by merit of his extensive experience.

There were no other changes to the composition of the Supervisory Board during the year under review. At the end of 2011 the Supervisory Board consisted of six members.

ACTIVITIES OF THE SUPERVISORY BOARD

The Supervisory Board held five meetings with the Board of Management of the company. All members of the Supervisory Board attended most of the meetings during the year under review. In addition the Board met several times without the Board of Management being present.

Permanent items on the agenda of the Supervisory Board are: the development of the results, the balance sheet, and the industry and market developments. With regard to the market developments, the order book and potential large projects as well as the status of material projects contracted are discussed. During the year under review subjects discussed included the contracting of large projects such as Lelydorp in Suriname and Superporto do Açu in Brazil, as well as the execution of projects such as Maasvlakte 2 in the Netherlands, Gorgon in Australia and the salvage of the Hyundai 105.

Other topics under scrutiny in 2011 included the corporate budget, liquidity, acquisition and investment proposals, the organizational structure and the staffing policies. Special attention was paid to the company's policy on safety, health and the environment, with extensive discussion of the company's safety program, *NINA* (No Injuries No Accidents), and how this program is being implemented within the organization and with subcontractors.

The Supervisory Board examined the company's strategy and the risks associated with it. In this context the Supervisory Board agreed with the new Corporate Business Plan for the years 2011-2013 which was drawn up for the new integrated company following the acquisition of Smit Internationale N.V. in 2010. Another regular topic of discussion concerned the principal risks inherent to the management of the company, such as the risks associated with contracting. Further information about this can be found on pages 49 to 53 of this report. The structure and operation of the associated internal risk management and control systems were assessed regularly and discussed with the Supervisory Board. No significant changes were made to the internal risk management and control systems during the year under review. The meetings to discuss the annual and semi-annual results were held in the presence of the external auditor.

In 2011 the Supervisory Board also gave consideration to the Board of Management's proposals to transfer SMIT Terminals to Lamnalco and to the acquisition of MNO Vervat B.V. The sale of SMIT Terminals to Lamnalco had already been agreed in the framework of the acquisition of Smit Internationale N.V. Furthermore the Supervisory Board approved the acquisition of M.N.O. Vervat after the determination that this is consistent with the company's strategy and represents a reinforcement of Boskalis' infra and dry earthmoving activities. The Supervisory Board also paid attention to the proposed cooperation with SAAM for the development of towage operations in Central and South America.

In the course of the year under review the Supervisory Board paid a working visit to Panama. During this visit the Supervisory Board familiarized itself with the hydraulic engineering and harbour towage activities in that country. Furthermore, extensive attention was paid to the market trends in Panama with regard to the development of marine infrastructure and maritime services.

A number of Supervisory Board members discussed with the Works Council the results, the corporate strategy, the market developments, the current situation in relation to the pension funds as well as the merger and integration with Smit Internationale N.V.

The Supervisory Board has instituted three core committees – the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. They performed their tasks as follows:

AUDIT COMMITTEE

Members of the Audit Committee

The Audit Committee consists of two members: Mr. M. Niggebrugge (chairman) and Mr. H. Heemskerk (until March 2011).
Mr. J. van Wiechen succeeded Mr. Heemskerk on 12 May 2011.

Duties and responsibilities of the Audit Committee

The main duties of the Audit Committee are to advise the Supervisory Board on:

- The supervision and monitoring of, and advising the Board of Management concerning the operation of the internal risk management and control systems, including the supervision of compliance with the relevant legislation and regulations, and supervision of the operation of the codes of conduct.
- The supervision of the provision of financial information by the company, its tax planning, the application of information and communication technology, and the financing of the company.
- The maintenance of regular contacts with and supervising the relationship with the external auditor as well as the compliance with and implementation of the external auditor's recommendations.
- The nomination of an external auditor for appointment by the General Meeting of Shareholders.
- The financial statements, the annual budget and significant capital investments by the company.
- The supervision of the functioning of the internal audit function.

Activities during 2011

The Audit Committee met three times during 2011. In the meetings the following regular subjects were discussed: the 2010 financial statements, the (interim) financial reporting for the 2011 financial year, the results relating to large projects, developments in IFRS, risk management, cost control, developments in the order book, the financing and liquidity of the company, insurance matters, the company's tax position, the internal control procedures and financial accounting and the relevant legislation and regulations, including the Corporate Governance Code. The follow-up of the Management Letter issued by the auditor as part of the audit of the 2010 financial statements was also discussed.

In addition, the Audit Committee focused more specifically on the acquisition of MNO Vervat B.V. and the transfer of SMIT Terminals and AHTS transport activities to Lamnalco, a company in which Boskalis holds a 50% stake. Extra attention was also paid to the integration of the accounting and reporting processes and systems at Boskalis and SMIT in the context of the takeover. The Audit Committee also discussed at length the development of the financial position of the pension funds with which Boskalis is involved.

The Audit Committee with the internal auditor discussed the activities of the internal auditor during 2011 as well the internal Audit Plan for 2012.

The chairman of the Board of Management and the Chief Financial Officer were present at the meetings of the Audit Committee, along with the Group Controller and the external auditor. During the year under review meetings were also held with the external auditor without the Board of Management being present. The Audit Committee discussed the audit fees and the audit approach with the external auditor. The Audit Committee also established the independence of the external auditor. The periodical evaluation of the functioning of the external auditor was started at the end of 2011. This evaluation was completed in early 2012. The outcome is that satisfaction exists with KPMG's functioning as independent external auditor. KPMG delivers high-quality work, based on thorough risk analyses, an effective approach to control and a good knowledge of the business and international context in which Boskalis operates. It performs its activities with a high degree of expertise and professionalism. It maintains good relationships with the Supervisory Board, Audit Committee and Board of Management, with due preservation of its independence. Given the further international expansion of Boskalis the further permanent strengthening of the management with regard to the use of international KPMG offices is of importance. In addition, maintaining sufficient experience with and knowledge of the Boskalis control environment in the core team of KPMG is a permanent point for attention.

Reports and findings of the meetings of the Audit Committee were presented to the entire Supervisory Board.

REMUNERATION COMMITTEE

Members of the Remuneration Committee
The Remuneration Committee consists of two members:
Mr. C. van Woudenberg (chairman) and Mr. M.P. Kramer.

The Remuneration Committee regularly availed itself of the services of an independent remuneration adviser and ascertained that this remuneration adviser does not provide advice to the members of the Board of Management.

Duties and responsibilities of the Remuneration Committee
The Remuneration Committee performs the following duties:

- The submission of a proposal to the Supervisory Board concerning the remuneration policy to be pursued for the members of the Board of Management. The policy is submitted to the General Meeting of Shareholders for approval.
- The submission of a proposal to the Supervisory Board concerning the remuneration of individual members of the Board of Management (in accordance with the remuneration policy adopted by the General Meeting of Shareholders).
- The preparation of the remuneration report on the remuneration policy pursued, subject to adoption by the Supervisory Board.

Activities during 2011
The Remuneration Committee met twice during 2011. The committee also held regular consultations outside these meetings.

On 21 January 2011 the Extraordinary General Meeting of Shareholders adopted the Supervisory Board's proposal to revise the remuneration policy for the Board of Management. This proposal was based on a recommendation drawn up by the Remuneration Committee to simplify the method used to calculate the quantitative measures of the variable short-term and long-term elements.

Amongst other activities the Remuneration Committee:

- kept itself up to date with the latest developments in Corporate Governance, both in the Netherlands and internationally;
- started a remuneration survey relating to Supervisory Board remuneration policies in the Dutch market;
- conducted scenario analyses.

Remuneration policy for the Board of Management
The remuneration policy for the Board of Management was adopted by the Extraordinary General Meeting of Shareholders on 21 January 2011. The remuneration policy is appropriate to the strategy and core values of Boskalis, which are centered on long-term orientation and continuity, and take into account the interests of Boskalis' shareholders, clients, employees as well as the 'wider environment'. In the course of 2011 the remuneration policy was executed in accordance with the remuneration policy as adopted by the General Meeting of Shareholders. The full text of the revised remuneration policy as well as the remuneration report can be found on the website (www.boskalis.com).

Remuneration policy for the Supervisory Board
The remuneration policy for the Supervisory Board was adopted by the General Meeting of Shareholders in 2007. During 2011 the remuneration policy was executed in accordance with the remuneration policy as adopted. In 2011, a remuneration survey was started into the remuneration of Supervisory Board members. The results will be submitted to the General Meeting of Shareholders.

SELECTION AND APPOINTMENT COMMITTEE

Members of the Selection and Appointment Committee
The Selection and Appointment Committee consists of two members. Mr. H. Heemskerk was chairman of the committee until March 2011. Mr. M. van der Vorm served as a member of the committee until 12 May 2011. On 17 August the Supervisory Board appointed Mr. J.M. Hessels as chairman and Mr. C. van Woudenberg as a member of the Selection and Appointment Committee.

Duties and responsibilities of the Selection and Appointment Committee
The duties of the Selection and Appointment Committee concern the following matters:

- Drawing up selection criteria and appointment procedures with respect to members of the Supervisory Board and members of the Board of Management of the company.
- The periodical assessment of the size and composition of the Supervisory Board and the Board of Management and the drafting of the Profile of the Supervisory Board.
- The periodical assessment of the functioning of individual members of the Supervisory Board and Board of Management and reporting there on to the Supervisory Board.
- Proposing appointments and re-appointments.
- Supervising the policy of the Board of Management with respect to selection criteria and appointment procedures for the senior management of the company.

Activities during 2011
In 2011, the Selection and Appointment Committee met once and also consulted several times by telephone. During the year under review the Selection and Appointment Committee discussed a balanced composition of the Board of Management, and also assessed the size and composition of the Supervisory Board, bearing in mind the description of the Board's Profile and its retirement rota.

In the year under review this involved the preparation of the following selections and reappointments:

Following the passing away of Supervisory Board chairman Mr. H. Heemskerk, the Selection and Appointment Committee took in hand the matter of filling the resulting vacancy. The Supervisory Board simultaneously informed both the shareholders and the Works Council of the resulting vacancy. The Selection and Appointment Committee proposed Mr. Hessels to the Supervisory Board as a candidate based on the Supervisory Board Profile. The nomination was based on the broad management experience gained by Mr. Hessels at a wide range of international listed companies. The Supervisory Board adopted this proposal by the Selection and Appointment Committee and on 17 August 2011 presented it to the Extraordinary General Meeting of Shareholders.
The Extraordinary General Meeting of Shareholders appointed Mr. Hessels for a period of four years as per that date.
The Supervisory Board subsequently appointed Mr. Hessels as its chairman.

During the year under review Mr. Van der Vorm announced that he was not available for re-appointment to the Supervisory Board. The Supervisory Board simultaneously informed both the shareholders and the Works Council of the resulting vacancy. Bearing in mind the Supervisory Board Profile the Selection and Appointment Committee discussed his replacement and proposed Mr. J. van Wiechen to the Supervisory Board as a candidate, given his experience at a number of (international) companies. The Supervisory Board adopted this proposal by the Selection and Appointment Committee and proposed to the General Meeting of Shareholders on 12 May 2011 that Mr. Van Wiechen be appointed to the Supervisory Board for a period of four years. The proposal was adopted by the General Meeting of Shareholders.

According to the Supervisory Board retirement rota the term of office of Mr. Van Woudenberg ended in 2011. The Supervisory Board simultaneously informed both the shareholders and the Works Council of the resulting vacancy. Mr. Van Woudenberg announced to be available for re-appointment. The Supervisory Board proposed to the General Meeting of Shareholders that Mr. Van Woudenberg be re-appointed to the Supervisory Board. The proposal to re-appoint rested on the fact that Mr. Van Woudenberg has extensive experience as a member of the Supervisory Board and he puts this membership into practice with great expertise. The recommendation to appoint Mr. Van Woudenberg was in accordance with the law and the Company's Articles of Association, which prescribe that the Supervisory Board puts forward a candidate recommended by the Works Council for one-third of the number of members of the Supervisory Board. The recommendation to re-appoint Mr. Van Woudenberg had the full support of the Works Council. On 12 May 2011 the General Meeting of Shareholders appointed Mr. Van Woudenberg for a period of four years.

Furthermore the Selection and Appointment Committee discussed the re-appointment of Mr. T.L. Baartmans as a member of the Board of Management. Mr. Baartmans was first appointed to the position in 2007. The Supervisory Board adopted the proposal to re-appoint and, having sought the opinion of the General Meeting of Shareholders, on 12 May 2011 re-appointed Mr. Baartmans to the Management Board for a period of four years.

During the year under review the company organized an introduction program to the company for Mr. Hessels and Mr. Van Wiechen.

DUTCH CORPORATE GOVERNANCE CODE

Since the introduction of the Dutch Corporate Governance Code (the 'Code') in 2004, the principles of proper corporate governance and best practice provisions set out in the Code have regularly been discussed at Supervisory Board meetings. The principal points of the Boskalis Corporate Governance policy can be found on pages 54 and 55 of this annual report.

In the opinion of the Supervisory Board, the provisions of the Code regarding the independence of the members of the Supervisory Board have been complied with. The Supervisory Board considers Mr. van Wiechen not to be independent in the sense of the Code.

Outside the presence of the board members, the Supervisory Board discussed the performance of the Board of Management and its individual members as well as reviewing the performance of the Supervisory Board and its individual members as compared against the Profile. This evaluation took place with the aid of a questionnaire as well as through collective and bilateral discussions of the Supervisory Board, the chairman of the Supervisory Board and the individual members of the Board of Management.

The Supervisory Board wishes to express its appreciation of the efforts shown by the Board of Management and all employees of the company and extends its compliments for the results achieved in 2011.

Papendrecht / Sliedrecht, 14 March 2012

Supervisory Board

Mr. J.M. Hessels, chairman
Mr. H.J. Hazewinkel, deputy chairman
Mr. M.P. Kramer
Mr. M. Niggebrugge
Mr. J. van Wiechen
Mr. C. van Woudenberg


BALDUR

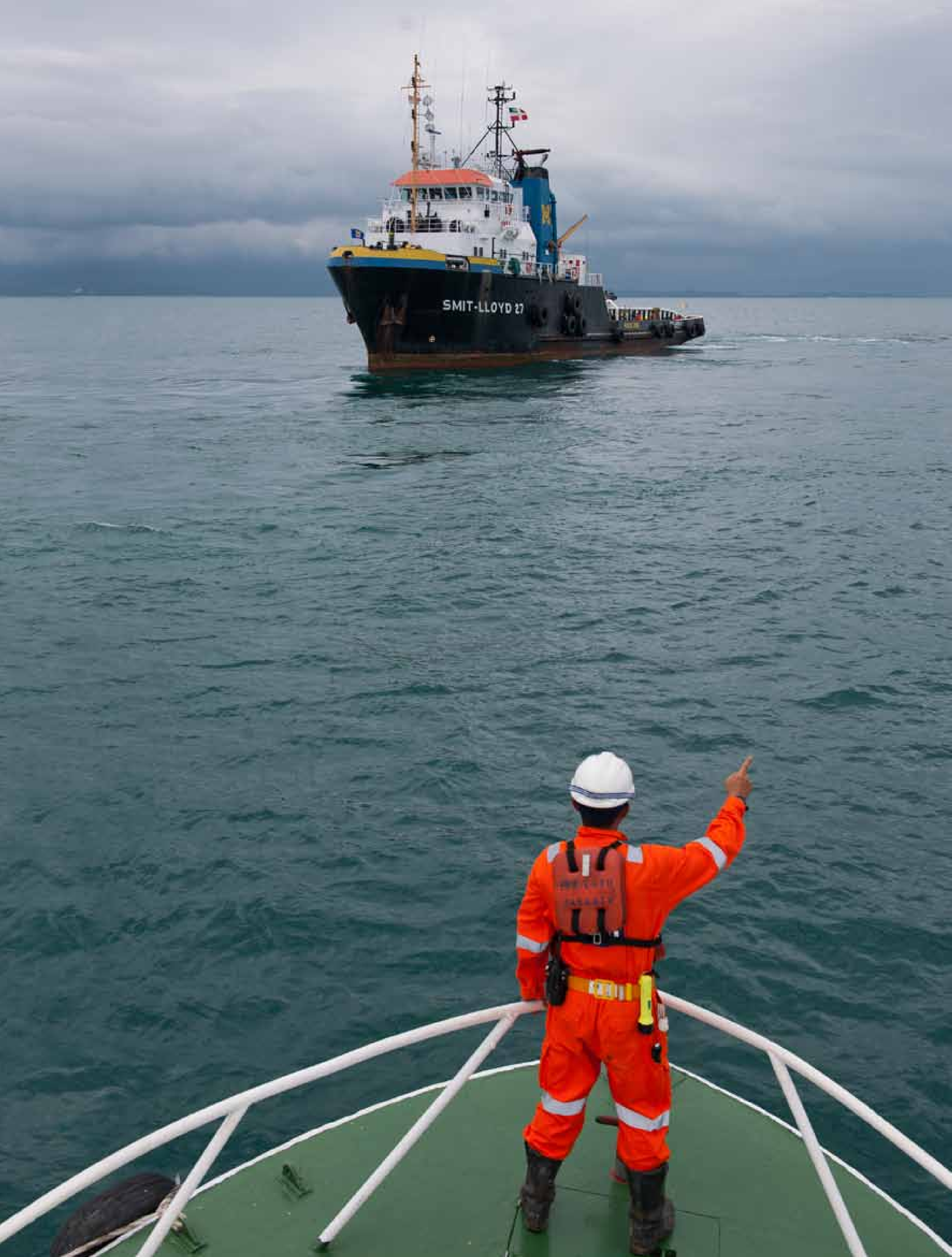
A GLOBAL LEADER IN TERMINAL SERVICES

The establishment of Smit Lamnalco, a joint venture in which Boskalis holds a 50% stake, is a fact. Smit Lamnalco was set up to take maximum advantage of the strong sides of both SMIT Terminals and Lamnalco. The combination offers considerable operational and commercial synergies. For example, Lamnalco is a strong player particularly in West Africa and the Middle East, whilst SMIT Terminals complements this through its broader playing field. The result of the merger is a market leader with an extensive fleet of 177 ships and revenue of around USD 300 million. Smit Lamnalco currently holds a very strong market position, operating globally with activities in over 30 countries.

Loek Kullberg, member of the Smit Lamnalco Board: "Smit Lamnalco will be a truly global provider of terminal services - primarily the berthing and unberthing of vessels (oil and gas tankers). We also see many opportunities for the provision of marine support to the mining industry. In all sectors, our intention is to widen the marine package, to include services such as underwater inspection and maintenance, pilotage, loading and discharging."

"We also intend to provide added value to clients by supporting terminal operators in their drive to manage and reduce commercial risks around the world. This will include their operations at remote locations. Risk-sharing will be an increasingly important element of the services we provide.”

"We believe Smit Lamnalco, with the strong support of Boskalis, will be the preferred provider of terminal towage and marine support services in the oil and gas industry and mining industry."


SMIT-LLOYD 27

REPORT OF THE BOARD OF MANAGEMENT

MARKET DEVELOPMENTS

The markets in which Boskalis operates are driven in the long term by growth in global trade, growing energy consumption, growth in world population and the consequences of climate change.

In the short term there is a stagnation of demand and an influx of new production capacity in a number of our markets, translating into pressure on volume and margins. However, what we are seeing in various regions around the world and in different market segments is clients who are developing all kinds of initiatives for new and in many cases sizeable maritime infrastructure projects. This applies in particular to energy and minerals-related projects in South America, West Africa and Australasia.

The market developments in the offshore market are relevant to a substantial part of our business. Following on from the demand in and construction of new oil and LNG import and export terminals, we expect to see growth for the terminal activities (Smit Lamnalco). Furthermore the developments at Transport, Heavy Lift and Subsea are largely dependent on a recovery in demand from the energy markets, in particular those of the offshore markets of Northwest Europe, Brazil and Southeast Asia. We are positive regarding the developments in the offshore market in the medium term.

FINANCIAL PERFORMANCE

Royal Boskalis Westminster N.V. achieved a record revenue of EUR 2.8 billion in 2011 (2010: EUR 2.7 billion). Net profit declined to EUR 254 million (2010: EUR 311 million), though it should be noted that the 2010 result included exceptional pre-tax gains of EUR 33.6 million. In spite of the decline in net profit, Boskalis proposes to maintain the dividend at EUR 1.24 per share.

Due to the increased uncertainties in the international markets there is continued hesitance amongst clients with regard to investment decisions, and this is putting pressure on both margins and equipment utilization levels. As a result EBITDA declined to EUR 591 million (2010: EUR 622 million) and the operating result (EBIT) to EUR 354 million (2010: EUR 402 million). The lower result in the core segment Dredging & Earthmoving was positively impacted by the financial settlement from previously completed projects. The remaining activities realized a stable or slightly higher operating result, partly as a result of the full consolidation of SMIT.

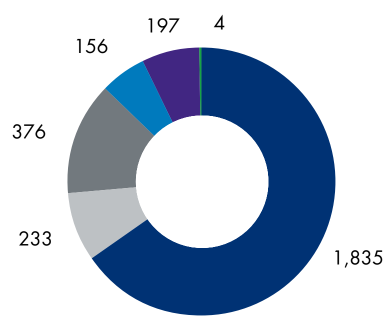
The order book increased to EUR 3,489 million as per end-2011 (end-2010: EUR 3,248 million). Compared to the 2011 mid-year level and adjusted for consolidation and deconsolidation effects, the order book was slightly higher at the end of the year.

OPERATIONAL AND FINANCIAL DEVELOPMENTS

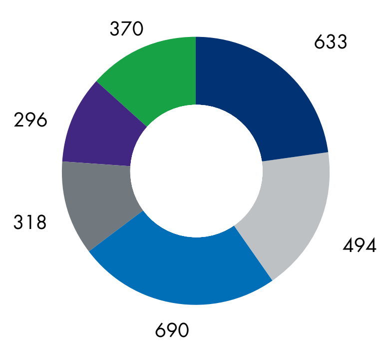
REVENUE

During the year under review revenue rose by 5% to EUR 2.80 billion (2010: EUR 2.67 billion), with the increase being wholly attributable to the SMIT consolidation effect. The SMIT results were fully consolidated for the first time in 2011. In the first quarter of 2010 the SMIT result was still accounted for as a result from associated companies based on a pro rata stake and was only fully consolidated from the second quarter. The fourth quarter of 2011 saw the successful completion of the sale of the SMIT terminal activities to Lamnalco and the acquisition of MNO Vervat. On balance these two transactions had no material effect on revenue and the result.

BY SEGMENT	**2011**	2010
(in EUR millions)		
Dredging & Earthmoving	**1,835**	1,801
Harbour Towage	**233**	155
Salvage, Transport & Heavy Lift	**376**	296
Terminal Services	**156**	148
Maritime Infrastructure	**197**	265
Non-allocated group revenue	**4**	9
Group	**2,801**	2,674



BY GEOGRAPHICAL AREA	**2011**	2010
(in EUR millions)		
The Netherlands	**633**	517
Rest of Europe	**494**	585
Australia / Asia	**690**	626
Middle East	**318**	370
Africa	**296**	228
North and South America	**370**	348
Group	**2,801**	2,674



RESULT

The operating result (EBIT) in 2011 was EUR 354 million (2010: EUR 402 million).

RESULT BY SEGMENT	2011	2010
(in EUR millions)		
Dredging & Earthmoving	**266.9**	320.5
Harbour Towage	**29.3**	23.2
Salvage, Transport & Heavy Lift	**43.2**	43.0
Terminal Services	**25.0**	22.3
Maritime Infrastructure	**30.4**	28.9
Non-allocated group costs	**–40.7**	–36.0
Group	**354.1**	401.9

The decline in the operating result was mainly attributable to a lower result in the Dredging & Earthmoving segment. This lower result was largely due to the changed market conditions which put both fleet utilization levels and margins under pressure. Moreover, in 2010 the result of this segment was positively impacted by a pre-tax gain of EUR 33.6 million in connection with the settlement of a number of long-running insurance and other equipment-related claims.

Group earnings excluding the result of associated companies and before interest, tax, depreciation, amortization and impairments (EBITDA) amounted to EUR 590.5 million (2010: EUR 621.5 million).

NET PROFIT

The operating profit (EBIT) was EUR 354 million. Net of financing expenses of EUR 40.4 million and EUR 2.0 million in results from associated companies, pre-tax profit amounted to EUR 316 million. Net profit attributable to shareholders totaled EUR 254 million (2010: EUR 311 million).

ORDER BOOK

In the course of 2011 Boskalis acquired, on balance, EUR 2,620 million worth of new contracts, broadly spread across the world and the various market segments. In addition, subsequent to the acquisition of MNO Vervat the contracts held by MNO Vervat were added to the order book in the Dredging & Earthmoving segment. The (revenue) value of these contracts was EUR 527 million at end-2011. This was offset by a EUR 105 million deconsolidation effect relating to the Terminal Services order book in connection with the sale of SMIT Terminals to Lamnalco, 50% of which has been included in the consolidation.

At end-2011 the total order book stood at EUR 3,489 million (end-2010: EUR 3,248 million). Compared to the order book at mid-2011 and adjusted for the consolidation and deconsolidation effects of MNO Vervat and SMIT Terminals, the order book was slightly higher at the end of the year.

ORDER BOOK	31 Dec 2011	31 Dec 2010
(in EUR millions)		
Dredging & Earthmoving	**2,307**	1,923
Harbour Towage	**-**	-
Salvage, Transport & Heavy Lift	**182**	162
Terminal Services	**590**	677
Maritime Infrastructure	**410**	486
Group	**3,489**	3,248

DREDGING & EARTHMOVING

Construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection, dry earthmoving, offshore services for the oil and gas industry, soil improvement techniques and underwater rock fragmentation.

	2011	2010
(in EUR millions)		
Revenue	**1,835**	1,801
Operating result	**267**	321
Order book	**2,307**	1,923

REVENUE

Revenue in the Dredging & Earthmoving segment totaled EUR 1,835 million (2010: EUR 1,801 million). The activities of MNO Vervat, which were acquired in mid-December, contributed EUR 12 million to the revenue figure. As from 2012 the dry earthmoving activities will be reported in the new Dry Infrastructure segment. In addition to Boskalis' dry earthmoving projects this new segment will also comprise the dry infrastructure activities of MNO Vervat.

REVENUE BY MARKET	2011	2010
(in EUR millions)		
Home markets in Europe	**588**	572
Home markets outside Europe	**191**	118
International projects	**882**	873
Specialist niche services	**174**	238
	1,835	1,801

Home markets

Revenue in the home markets amounted to EUR 779 million (2010: EUR 690 million). Revenue in the European home markets (the Netherlands, Germany, United Kingdom, Nordic countries) rose by 3% to EUR 588 million (2010: EUR 572 million). Projects contributing to this revenue in the Netherlands included Maasvlakte 2 and coastal defense projects along the coast of the province of Zuid-Holland (Sand Motor and Delfland coast) and the Wadden islands (Ameland). In the other European home markets Boskalis worked on numerous port and waterway maintenance projects as well as several coastal defense projects in the United Kingdom. Revenue in the home markets outside Europe (Nigeria and Mexico) rose by 62% to EUR 191 million (2010: EUR 118 million). In Mexico it was mainly the Cuyutlán project which contributed to revenue. However, most of the growth was achieved in Nigeria, where the activity level picked up again after a few quieter years. Prospects for further growth in Nigeria are promising, although concerns on the part of the oil and gas majors about the general stability of the country are still causing them to be cautious in taking major investment decisions.

International project market
At EUR 882 million, revenue from the international project market was slightly higher than that of the previous year (2010: EUR 873 million). The projects are broadly spread across the market segments and the geographical regions, with projects in Australasia and Central and South America currently making the biggest contribution to revenue.

Specialist niche services
At EUR 174 million, revenue from specialist niche services was down on last year (2010: EUR 238 million). As in 2010 Boskalis Offshore worked on the Nordstream project and carried out various rock projects using fallpipe vessels. In the second half of 2011 work started on a cable-laying project in South Argentina. In addition, good progress was made in 2011 on the seven-year Fox River project, involving the separation and processing of PCB-contaminated dredging sludge from the Fox River in Wisconsin (the United States).

Fleet developments
Good utilization of the hopper fleet in the second half of the year, following a weak first half, allowed us to achieve an annual utilization rate of 39 weeks (2010: 43 weeks). Because of the tough market conditions it takes considerable effort to secure good equipment utilization levels at acceptable project margins and/or risk levels. This was particularly noticeable in the lower utilization rate of the cutter fleet, which stood at 19 weeks in 2011 (2010: 27 weeks).
January 2012 saw the naming ceremony of the new fallpipe vessel, the Rockpiper, in Singapore. The ship, which will be deployed mainly for offshore work, is scheduled for delivery at the end of March 2012. The order book for this ship already equates to over a year's utilization.

SEGMENT RESULT

The operating result (EBIT) of the Dredging & Earthmoving segment totaled EUR 267 million (2010: EUR 321 million). The decline is attributable to the changed market conditions as well as the fact that the result for 2010 included extraordinary gains of EUR 33.6 million related to the settlement of a number of long-running insurance and other equipment-related claims.
In 2011, the result was once again positively impacted by the financial settlement of various projects, especially in the Middle East, which had previously been technically completed.

ORDER BOOK

In 2011, on balance EUR 1,692 million of new work was acquired. In addition, contracts with a (revenue) value of EUR 527 million held by MNO Vervat were added to the order book.

ORDER BOOK BY MARKET	**31 Dec 2011**	31 Dec 2010
(in EUR millions)		
Home markets in Europe	**1,045**	628
Home markets outside Europe	**108**	133
International projects	**864**	965
Specialist niche services	**290**	197
	2,307	1,923

In the oil and gas market various projects were acquired in Nigeria, while variation orders were awarded on current projects including those in Australasia. Several cable-laying contracts were acquired in the course of 2011, including a contract for the installation and protection of two power cables between the Indonesian islands of Java and Bali and a fiber-optic telecom cable in Southern Argentina. In Suriname we took on an interesting contract to excavate bauxite using a cutter dredger.

In the ports market segment we acquired a large project for the construction of a new port at the Superporto do Açu complex in Brazil, and took on and executed a port development project for Sydney Ports in Canada. In addition several port and waterway maintenance projects were acquired in the various home markets.

In early January, the Punta Pacifica project was taken on in the land reclamation and coastal defense segment, involving the construction of an artificial island off the coast of Panama City. Finally, in early November, Boskalis acquired the contract to redevelop the waterfront in the Dutch municipality of Harderwijk. At the end of 2011, the order book stood at EUR 2,307 million (end-2010: EUR 1,923 million).

HARBOUR TOWAGE

Berthing and unberthing of oceangoing vessels, providing assistance to special objects and port services.

	2011	2010*
(in EUR millions)		
Revenue	**233**	155
Operating profit	**29.3**	23.2

* SMIT activities consolidated from the second quarter

REVENUE

Boskalis is active in this segment through SMIT Harbour Towage (consolidated as from the second quarter of 2010) at locations including Rotterdam, Belgium, Brazil, Panama, Canada, Australia and Singapore. Revenue in 2011, including the proportionate consolidation of associates, was EUR 233 million (2010 three quarters: EUR 155 million).

While the recovery, which started in 2010, and the associated upturn in freight shipping volumes continued in some parts of the market, freight tariffs for both container shipping and bulk transport came under further pressure during the course of 2011. Even so, SMIT only saw a reduction in the level of activity in the ports of Rotterdam and Antwerp.

In early March, Boskalis acquired the remaining 50% of SMIT Rebras in Brazil. It was subsequently decided to invest in another 12 new tugs for this growth market, six of which have now been ordered and are under construction. Ahead of the completion of these vessels, four frontrunners have been deployed in the ports of Victoria and Rio Grande, and these contributed towards the growth in revenue.
The harbour towage activities in Argentina were terminated due to continued disappointing results.
At the end of October, SMIT won a seven-year exclusive concession to provide harbour towage services in the port of Zeebrugge (Belgium). Based on freight traffic projections, the concession represents total revenues of around EUR 90 million.

SEGMENT RESULT

The operating result, including the proportionate consolidation of associates, was EUR 29.3 million (2010 three quarters: EUR 23.2 million), with the activities in Rotterdam, Belgium, Brazil and Canada making a good contribution to this result. The operating result was negatively impacted by the costs associated with discontinuing the activities in Argentina.

SALVAGE, TRANSPORT & HEAVY LIFT

Salvage: emergency response, wreck removal, environmental care and consultancy.
Transport: chartering, rental of work vessels, heavy transport and (ocean) towage services.
Heavy Lift: lifting work, maritime projects, marine support and subsea activities.

	2011	2010*
(in EUR millions)		
Revenue	**376**	296
Operating profit	**43.2**	43.0
Order book	**182**	162

* SMIT activities consolidated from the second quarter

REVENUE

Boskalis is active in this segment through the relevant activities of SMIT. Revenue in 2011, including the proportionate consolidation of associates, was EUR 376 million (2010 three quarters: EUR 296 million).

Through a good combination of emergency response and wreck clearance projects, Salvage was able to look back on a good year. At the beginning of the year, a large container ship which had partially sunk off the coast of Mumbai in India was successfully refloated. Off the coast of Indonesia work continued on salvaging the sunken Hyundai 105 car carrier. The wreck is being sawn into sections for subsequent removal.
On 13 January 2012 the Costa Concordia cruise liner ran aground on rocks off the Italian island of Giglio and partially capsized. Shortly afterwards SMIT, together with a local partner, was awarded the contract to remove the fuel from the ship. As the annual report went to press the work had reached a concluding stage.

The Transport activities, which are performed primarily for the oil and gas industry, showed a mixed picture. The spot market in North-West Europe picked up in 2011. However, whilst capacity deployed in the Far East and Middle East became available as a result of contracts reaching conclusion, the company experienced difficulty in redeploying this capacity on new contracts and, where it did succeed, tariffs were relatively low. A part of this, latter activity was also sold to Lamnalco as part of the sale of the SMIT Terminal activities.

The utilization level of the floating sheerleg cranes (Heavy Lift) was very poor in 2011, resulting in a substantial underutilization. Conversely, the Subsea diving activities, where two diving support vessels are now in use, had a reasonably busy year, with an increasing demand for inspection, repair and maintenance services from the oil and gas industry.

SEGMENT RESULT

The operating result, including the proportionate consolidation of associates, was EUR 43.2 million (2010 three quarters: EUR 43.0 million). The result was negatively impacted by a EUR 7.2 million impairment charge on three ships belonging to Transport.

ORDER BOOK

The order book level increased to EUR 182 million at year-end (end-2010: EUR 162 million) and currently consists mainly of long-term Transport contracts.

TERMINAL SERVICES

Towage and mooring services, surface and subsurface maintenance and related maritime and management services to offshore and onshore oil and gas terminals.

	2011	2010*
(in EUR millions)		
Revenue	**156**	148
Operating profit	**25.0**	22.3
Order book	**590**	677

* SMIT activities consolidated from the second quarter

REVENUE

In 2011, Boskalis was active in the Terminal Services segment through SMIT Terminals and its 50% stake in Lamnalco.
Mid-2011 it was announced that a large part of the activities of SMIT Terminals were to be sold to Lamnalco, in which Boskalis holds a 50% stake. The sale was completed in early October and for this reason this segment currently mainly consists of Boskalis' 50% stake in the activities of Lamnalco.
In 2011, the revenue of Terminal Services rose to EUR 156 million (2010: EUR 148 million). Excluding the contribution from SMIT Terminals 2011 revenue amounted to EUR 84.8 million (2010: EUR 75.8 million). The revenue growth at Lamnalco is partly attributable to two new contracts in Sierra Leone.

SEGMENT RESULT

The operating result, including the proportionate consolidation of associates, rose to EUR 25.0 million in 2011 (2010: EUR 22.3 million). The result, particularly at SMIT Terminals, was negatively impacted by the fact that there were only limited opportunities to deploy vessels on the spot market ahead of their deployment on new long-term contracts.

ORDER BOOK

The sale of the activities of SMIT Terminals to Lamnalco means that 50% of the associated order book has also been deconsolidated. This resulted in a EUR 105 million decline in the order book, resulting in a year-end order book of EUR 590 million (end-2010: EUR 677 million).

MARITIME INFRASTRUCTURE

Maritime infrastructure-related services and projects, including the construction of quay walls, jetties, breakwaters, water purification systems, sewer systems, dams and bridges. Industrial construction including power stations and desalination plants.

	2011	2010
(in EUR millions)		
Revenue	**197**	265
Operating profit	**30.4**	28.9
Order book	**410**	486

REVENUE

Revenue from the Maritime Infrastructure segment is realized through strategic partner Archirodon, in which Boskalis holds a 40% stake. Archirodon is primarily involved in realizing maritime and civil engineering works, for clients in, for example, the oil and gas sectors and electricity industry, in the Middle East and North Africa, with Saudi Arabia as its main market. Archirodon's revenue declined during the year under review, mainly as a result of the domestic unrest in Egypt and particularly Libya. This led to work on ongoing projects being temporarily suspended or halted. Boskalis' share in Archirodon's revenue was EUR 197 million (2010: EUR 265 million).

SEGMENT RESULT

Despite the decline in revenue and the negative impact on the result from the aforementioned developments in Egypt and Libya, operating profit rose in 2011. This was thanks to the generally good to very good results on the projects in the other countries in the region where Archirodon is active. They included work on ports and quay walls in Kuwait and Qatar and on railroads, power stations and desalination plants in Saudi Arabia. Archirodon contributed EUR 30.4 million to the operating profit (2010: EUR 28.9 million).

ORDER BOOK

Partly due to the influence of the developments in North Africa, the order book declined to EUR 410 million (our 40% stake; end-2010: EUR 486 million).

HOLDING

Non-allocated head office activities

	2011	2010*
(in EUR millions)		
Revenue	**4.0**	9.1
Operating profit	**-40.7**	-36.0

* SMIT activities consolidated from the second quarter

SEGMENT RESULT

The operating result for the reporting period mainly includes the usual non-allocated Boskalis and SMIT head office costs, as well as various non-allocated non-recurring costs relating mainly to the acquisition and integration of SMIT.

OTHER FINANCIAL INFORMATION

Depreciation, amortization and impairments amounted to EUR 236 million in 2011 (2010: EUR 220 million). The increase was largely attributable to the effect of consolidating SMIT for an additional quarter (three quarters in 2010) and the additional 50% stake in Rebras acquired in early 2011.

In 2011, a net impairment charge of EUR 6.4 million was taken on several units of equipment (2010: EUR 8.7 million).

The result from associated companies was EUR 2.0 million. In 2010 the result was EUR 25.0 million, which was for the most part connected with a revaluation gain on the stake held in SMIT directly prior to the public offer being declared unconditional.

Because of the lower result, the tax burden also declined in 2011, to EUR 54.7 million (2010: EUR 77.1 million). The effective tax rate fell to 17.3% (2010: 19.8%), partly because a relatively larger share of the result was realized in countries with a lower tax rate.

In 2011, the return on equity was 15.4% (2010: 21.7%).

CAPITAL EXPENDITURE AND BALANCE SHEET

In the year under review, a total amount of EUR 292 million was invested. Important investments concerned the construction of the new Rockpiper fallpipe vessel to cater to the oil and gas industry and the offshore wind market. The ship is scheduled for delivery at the end of March 2012. During the past year, the company also invested in the conversion of the Taurus II mega cutter and reconstruction work started on the WD Fairway, a 36,000 m^3 mega hopper. The ship is expected to be taken into service in the course of 2013. Other investments concerned two new multifunctional cable laying/offshore vessels, the construction of the Asian Hercules III (5,000 MT floating sheerleg crane for the Asian Lift JV) and various smaller investments at Terminal Services, Harbour Towage, Salvage and Transport.

In 2011, a number of older dredging vessels, including the Cornelia, Puerto Mexico, Atlantico and Alpha B, were taken out of service and will be scrapped at certified yards adhering to strict environmental standards. In addition, the lease contract for the American trailing suction hopper dredger, the Stuyvesant, was terminated at the end of the year. The age of the ship and the limited opportunities on the American market meant that extending the lease contract was not an attractive option.

Capital expenditure commitments as at 31 December 2011 increased to EUR 193 million (end-2010: EUR 93 million). These commitments mainly concern the aforementioned investments, six new tugs for the Brazilian market and the expansion of the head office in Papendrecht.

During the year under review, EUR 105.3 million was spent on acquisitions. This mainly concerned the acquisition of the 50% stake in Rebras and the entire share capital of MNO Vervat. The sale of the Terminal activities to Lamnalco generated net cash proceeds of EUR 83 million. Lamnalco financed half of the transaction amount by means of a capital contribution from both shareholders, with the remainder being financed through a bridging loan provided by Boskalis. After the forthcoming refinancing of Lamnalco in 2012, Boskalis will receive further net cash proceeds of EUR 83 million. An amount of EUR 20 million was spent on acquiring the remaining 2% of shares in SMIT.

Cash flow declined to EUR 497 million (2010: EUR 532.5 million).

The cash position was EUR 383 million at the end of 2011. Of the total cash position, EUR 225 million was freely available and EUR 152 million was tied up in associated companies and projects being executed in conjunction with third parties.

The company's solvency ratio was 37.4% at 31 December 2011. At end-2010 the solvency ratio was 37.1%.

Interest-bearing debt totaled EUR 792 million at 31 December 2011 and the net debt position stood at EUR 410 million (end-2010: EUR 450 million). The majority of the debt position consists of long-term US Private Placement (USPP) loans and drawings on the three- and five-year bank facility taken out, partly in connection with the financing of the SMIT acquisition. Boskalis must comply with various covenants as agreed with the syndicate of banks and the USPP investors. These agreements were comfortably met as at 31 December 2011. The main covenants relate to the net debt : EBITDA ratio, with a limit of 3, and the EBITDA : net interest ratio, with a minimum of 4. At 31 December 2011, the net debt : EBITDA ratio stood at 0.7 and the EBITDA : net interest ratio at 16.6.

DIVIDEND POLICY AND PROPOSAL

The main principle of the Boskalis dividend policy is to distribute 40% to 50% of net profit from ordinary operations as dividend, whereby Boskalis aims to achieve a stable development of the dividend over the longer term. The choice of dividend form (in cash and/or entirely or partly in shares) takes into account the company's desired balance sheet structure as well as the interests of shareholders.

In light of this, Boskalis will propose to the Annual General Meeting of Shareholders on 10 May 2012 that a dividend of EUR 1.24 per share be distributed in the form of ordinary shares, unless the shareholder opts to receive a cash dividend. The dividend will be payable from 6 June 2012.

OTHER DEVELOPMENTS

MNO VERVAT

At the end of December Boskalis completed the previously announced acquisition of MNO Vervat. MNO Vervat holds a leading position in the Dutch civil infrastructure market and is specialized in road construction, concrete and other civil construction work. On the international front MNO Vervat is mainly active in Suriname. The combination of Boskalis Nederland and MNO Vervat creates a player with the ability to perform a leading role at the top of the Dutch market. In addition, MNO Vervat gives Boskalis the knowledge and expertise in the field of concrete and other civil construction work that it needs for its international projects. This will enable it to respond to the growing demand for all-round solutions for complex port and offshore projects. Comparable expertise is already very successfully applied within the group on a regional scale in the Middle East through our partner company Archirodon.

SMIT LAMNALCO

On 30 June 2011 Boskalis reached an agreement with the Rezayat Group of Saudi Arabia, its co-shareholder in Lamnalco, regarding the sale of SMIT's terminal and AHTS transport activities to Lamnalco. The transaction was completed in early October. Lamnalco acquired an important part of the activities for a consideration of USD 434 million, half of which was funded through a capital injection by both shareholders; the remainder through a loan extended by Boskalis. This loan will be redeemed in 2012 following the refinancing of Lamnalco. Lamnalco acquired all of SMIT's terminal activities, with the exception of the terminal activities of Rebras (Brazil) and those of the joint ventures in Egypt and Singapore (Keppel-SMIT). The combined activities will continue under the name of Smit Lamnalco and the organizational integration will take place in 2012.

SAAM

In early November Boskalis and Sudamericana Agencias Aereas y Maritimas S.A. (SAAM) announced that they were exploring the possibilities and opportunities for a joint towage operation in North and South America. The proposed cooperation would be between SMIT's harbour towage services in North and South America and those of SAAM, part of Compañía Sud Americana de Vapores (CSAV). The combination of SMIT and SAAM will create a leading provider of towage services in Central and South America. The combined towage operations would serve 45 ports in nine countries with a fleet of more than 150 vessels. Besides producing operational synergies, the joint operation would also significantly strengthen the market position of the combined entity.

NAM DECOMMISSIONING PROJECT

Boskalis and SMIT are increasingly submitting joint tenders for the installation of new, and dismantling of old, oil and gas platforms. There is strong demand in the market for these services. Over the past few months, for example, a number of decommissioning projects have been carried out in the North Sea in which Boskalis and SMIT were involved as lead contractor.

Wim Vogelaar, General Manager of SMIT Marine Projects: “Our recent contract for Nederlandse Aardolie Maatschappij (NAM) shows the way we want to go. We were lead contractor for this decommissioning project, which involved the removal of the subsea protection structure of the L13 gas well. We will increasingly tender for major works, for a fixed price if required and with ultimate responsibility for the entire process: prospecting, tendering, contract negotiations, engineering and the preparation right through to the actual execution.”

"The NAM contract is a good example of the close cooperation between SMIT and Boskalis - a factor which contributed to meeting the extremely short project timeline. The task was to remove a gas well protective structure in just a few weeks. The time available was limited as this section of the Dutch continental shelf, off the coast of Den Helder, was due to be opened as a training area for the Navy from the end of October."

The sheerleg ‘Taklift 7’ was mobilized for this project, partnered by a tug to assist in anchor-handling. Hydronamic, Boskalis’ in-house engineering company, completed a workability study with regard to the area, the operating window and workability limits for the equipment. A Boskalis surveyor was responsible for positioning and SMIT Subsea provided a Seaeye Tiger ROV to assist the underwater work team. The entire operation went smoothly and was completed on time and within budget.

OPERATIONAL PERFORMANCE

SAFETY, HEALTH, ENVIRONMENT AND QUALITY: SHE-Q

HEALTH AND SAFETY

We have made great progress in further improving the Boskalis safety standard. The *NINA* (No Injuries, No Accidents) safety program was widely introduced across the organization in 2010. The program, based on values and rules, has unlocked a lot in a positive sense among both management and staff. People's well-being and safety are now paramount within our traditionally more technology and production-oriented organization. The concept enjoys high acceptance and at our sites around the world *NINA* is now a household name. An extensive training and communication program has been used to bring the *NINA* values to life. Employees are aware that they are expected to take responsibility and are given the opportunity to take that responsibility. The management is strongly committed and supports decisions that give priority to the safety and well-being of staff. The objective for 2011 of organizing a *NINA* start-up session for every vessel and every new project was achieved. Risk inventories prior to a project are standard procedure, and also result in dialog with clients and subcontractors regarding preventative measures to avoid unsafe situations.

Safety performance

Transparency regarding safety-related matters has improved considerably. The number of incidents and accidents resulting in sick leave has fallen sharply, while the number of preventive reports of unsafe situations doubled compared to 2010.
The increase in the number of preventive reports is positive, because it shows that employees feel responsible for a safe working environment. The Lost Time Injury Frequency (LTIF), the figure that expresses the number of incidents per 200,000 hours worked resulting in sick leave, showed a further decline in 2011 to 0.3 (0.7 in 2010). The figure also includes incidents resulting in sick leave at subcontractors. Our CSR report provides more detailed information about and an analysis of the safety performance.

Technical standard

In developing the *NINA* program in 2010, a new technical standard for all Boskalis' floating equipment was also formulated. This standard is based on an analysis of the accidents and incidents. In a large-scale program scheduled for completion by the end of 2012, every dredging vessel will be tested for deviations from this standard and where necessary will be adapted.

Harmonization of SHE-Q policy

In 2011, we also started preparations for harmonizing the policy with regard to safety, quality and the environment with the SMIT organization. Surveys were conducted to identify the differences in policy and structure, and based on this we looked at which aspects would add value if harmonized. Examples include the way incidents are reported, procedures for conducting risk analyses and risk management as well as a standard for personal protection measures. Various workshops were organized with the management teams of the business units in the Netherlands and Singapore to assess feasibility. The harmonization of the policy will initially focus on SMIT's project-oriented business units.

Environment
Our objective for 2011 was to establish and implement a reporting structure for the fuel consumption of our floating equipment and the energy consumed by our office organization to allow for simple periodic reporting on carbon emissions. And we succeeded.
A more detailed account can be found in our CSR report.

Quality
Our plan was to manage the main opportunities and risks on the major works more actively. To achieve this we formulated a policy involving carrying the risk analyses from the tender stage over to the work preparation stage. Structural reporting takes place on the top five opportunities and risks.

PERSONNEL AND ORGANIZATION

ORGANIZATION

The integration of the Boskalis and SMIT organizations and activities is proceeding well. Originally we gave ourselves three years in which to establish a smooth-running organization, but in some areas we are significantly ahead of schedule.

Commercial organization
The commercial organization was quick to identify opportunities for synergy and to take advantage of them. In the business the two organizations are moving closer together and we are acting in concert in the market. We aim to create cohesion by establishing an efficient organizational structure and combining activities in a logical way so as to benefit our commercial activities. Combining of our offshore activities from the Boskalis side with SMIT's oil and gas sector-related activities is a good example. The sale of SMIT Terminals to Lamnalco is also consistent with our aim to make effective use of commercial opportunities. Straight after the shareholders' decision in July 2011, an enthusiastic start was made on the preparations for the integration of the two companies. The integration will be completed by the end of 2012. In various important Boskalis and SMIT markets the respective organizations moved into shared offices in 2011. This was the case in Singapore, Australia, Panama and Brazil.

Corporate staff departments
At the end of 2011, preparations were started to realize a Transfer of Undertaking for the office and shore staff of SMIT Nederland BV. This concerned 288 employees who joined the Boskalis workforce with effect from 1 January 2012. On 1 January 2012 they also became members of the Boskalis pension fund.
All corporate staff departments have now been brought under joint control. In the interests of clear preparation and execution of large-scale projects, we have established an integrated organization structure for project management. This mainly concerns risk management, contract management and planning. From mid-2012 the joint commercial and corporate staff departments will be based at a single location in Papendrecht, the Netherlands. Where possible, we are seeking to combine HR contracts, such as the company car scheme, insurance policies for employees abroad and health & safety services in the Netherlands. In addition to improved service to staff and the obvious efficiency gains, this will also realize considerable cost savings.

Personnel
Integration and development of joint competencies was a key focus of the training programs and knowledge exchanges in 2011. In the training programs we focused mainly on the further broadening and strengthening of management skills, contractual knowledge and commercial skills, for example through the new courses *Tender Coordination* and *Engineering Management* and through the existing *International Contracting Management Course* run by the TiasNimbas business school in the Netherlands.

The Boskalis Leadership Development Program is a successful example of integration in action. Twenty senior managers, ambassadors of the integration of Boskalis and SMIT, started this intensive course in 2010 and completed it in 2011. The course revolved around personal development, teambuilding and building an internal network. Through this cross-pollination and by working together on real-life cases they were able to experience that there are many similarities in the way our companies think and operate.

In addition to training and instruction, we consider mutual knowledge exchange to be an important path for development. We encourage the building of internal networks. Initiatives in 2011 included two knowledge exchange days organized for employees and project managers in Transport, Heavy Lift and Salvage.

Staffing
The combination of activities has made us a more attractive employer. By using our two strong brands to successfully focus on our joint target group of maritime professionals we can achieve further synergies in the job market. At end-2011, the total number of people employed by the group was 13,935.

Works Council
The Works Councils of Boskalis (1) and SMIT (4) held elections at the end of 2011 aimed at establishing a joint works council. An employee representation body has been formed which is a good representation of all the group companies. Our CSR report provides a detailed account of our social performance.

EQUIPMENT

This year the objective of the Fleet Management department was once again to ensure that the equipment is readily available for deployment on projects. During the year preparations were made to combine the fleet management operations of Boskalis and SMIT. The framework of the new department, which will be called Fleet Management, is nearing completion. The new framework has been chosen so as to retain as much as possible of the specific knowledge and expertise of both departments. In addition, it was decided that the Maximo maintenance system should also be used for the SMIT fleet. The Strategy section provides a summary of the investment program for the fleet. The program consists mainly of replacement investments for the dredging fleet and the addition of new vessels for the other activities. In 2011 we also sustainably scrapped a few of our larger dredging vessels, including the Cornelia, the Cetus, the Alpha B and the Freeway, as well as some smaller equipment.

RESEARCH AND DEVELOPMENT

NEW DEVELOPMENTS

Boskalis wants to continue to set itself apart from its competitors. Increased productivity and lower costs are essential to achieving this. If we are to continue to be able to use the available manpower as efficiently as possible, we will need to constantly optimize all business processes. This calls for new techniques, smart applications and the constant improvement of equipment, working methods and computer models.

Deep-sea mining

Seabed mining of minerals is an activity which is closely related to dredging and for which demand is growing. In 2011, Boskalis conducted a preliminary study into the collection of rock phosphates from the seabed. New Zealand needs one million tonnes of phosphates a year to use as artificial fertilizers in the agricultural sector. The extraction of rock phosphate offers substantial economic, environmental and market benefits as it obviates the need to import artificial fertilizers. Boskalis was selected from three international parties to further develop its concept. We have since demonstrated its technical feasibility.

Working with SMIT

The SMIT activities benefit from, amongst other areas of expertise, the geographic positioning and survey capabilities of Boskalis. Whereas previously SMIT sourced this type of expertise from third parties, it now uses the Boskalis survey services when charting shipwrecks and supervising salvage operations. Subsea equipment and in some cases divers are fitted with positioning equipment which allow such salvage operations to be carried out more efficiently and safely. Boskalis positioning equipment is also in use on the Remotely Operated Vehicles (robots) which both SMIT and Boskalis use for subsea operations and rock dumping.

Scientific research

In addition to the research it carries out and innovations it achieves internally, Boskalis supports fundamental scientific research relevant to our industry. Both individually and at sector level, we engage in (fundamental) research in conjunction with knowledge institutes and universities, and share knowledge through lectures and presentations. This also applies to the knowledge gained from the *Building with Nature* program. We communicate this information to universities and professional education institutions through various readerships, guest lecturer positions and post-academic and other courses.

In addition, Boskalis supports a number of doctorate research projects at Delft University of Technology. For example, Boskalis supports research into wear and tear processes to the dredging installation caused by currents. Two doctorate students are going to work on this doctorate research project at the leading institute Materials to Innovate (M2I), in cooperation with Delft University of Technology.

In the framework of the Dutch government's Maritime Innovation Program we, along with a number of partners, are going to contribute to a doctorate research project at Delft University of Technology into dredging techniques in hard soil at great water depth. The Dutch government is investing in this type of research in order to maintain the leading knowledge and market position of the Dutch maritime industry. This Exhadero research (Excavation of Hard Deposits and Rocks) is important for the development of equipment and working methods for deep-sea mining.
Raw materials often have to be cut away from the seabed. However, the enormous water pressure means that the cutting process at great depths differs from that in shallow water.
This research project involves developing new models to help determine what requirements and force levels will have to be met by modified or newly built equipment.

ICT

Although ICT plays a supporting role for our company, the relative importance of information to the success of our business is growing. We want to realize projects of higher complexity and greater added value. This imposes requirements on the quality of our tenders, and demands complete and timely reporting to our clients. We make targeted investments in those aspects of information provision which support this.

In order to promote cooperation between the group's companies in 2011, we worked on the further standardization and harmonization of ICT facilities and applications, and use portal technology to provide our people with a platform to share information and knowledge.

CORPORATE SOCIAL RESPONSIBILITY

Our strategy is aimed at ensuring that the design and execution of the solutions that we realize globally are as sustainable as possible.

Since 2009 we have published a CSR Report in addition to an Annual Report. In our CSR report we account for material and relevant non-financial aspects of our performance arising from our strategy and core activities. We report in accordance with the international guidelines set out by the Global Reporting Initiative (version G3-1). In selecting the performance indicators and compiling our CSR report, we take into account the information requirement of our main stakeholders.

Our strategy is aimed at ensuring that the design and execution of the solutions that we realize globally are as sustainable as possible. In order to safeguard our social, societal and environmental responsibility as much as possible, our CSR policy focuses on the key areas where our impact is greatest:

- Our **social performance** is mainly concerned with our employees and our efforts to promote their safety, self-development opportunities and well-being.
- Our **societal performance** is expressed in contributions to local communities, investment in education, research and knowledge transfer, and social sponsorship and donations.
- Our **environmental performance** is mainly concerned with limiting and preventing a negative impact on the environment, and involves us focusing on the further expansion of our environmental expertise, the provision of eco-dynamic designs and the ongoing investment in and use of environmentally friendly equipment.

In our 2011 CSR report we provide details of our performance in the aforementioned areas. Our 2011 CSR report is available on the corporate website www.boskalis.com

RISK MANAGEMENT

STRATEGY AND BUSINESS DRIVERS

Boskalis' strategy is aimed at being prepared for both opportunities and challenges in the market. The strategy is focused on profitable growth in attractive market segments as well as expanding and reinforcing the core business.

The markets in which Boskalis operates are mainly driven by long-term economic factors, such as the growth of the global population, the expansion of the global economy and the growth in international trade and transport volumes, particularly over water. The long-term prospects for these factors are favorable.

Effective management of risks and opportunities is essential for the successful delivery of the group's strategy and plans. The identification, measurement and monitoring of risks and opportunities is, particularly with respect to the preparation and execution of projects, embedded in our management approach. Recent developments in the global economy and in financial markets have underlined the necessity of disciplined and structured risk management.

An overview of the key strategic, operational and financial reporting risks is set-out below.

STRATEGIC AND MARKET RISKS

The Boskalis markets are heterogeneous and often develop differently. In most cases, the (ultimate) clients are national, regional, and local governments, or associated institutions such as port authorities or private port operators, major international oil and gas companies and other large private clients such as container shipping companies and mining companies.

Factors outside our control may have a negative impact on our markets, in particular in the short term and medium term, despite the long-term growth trends. These include general or regional geopolitical developments, such as political unrest, regime changes, government-imposed trade barriers, financial markets turmoil or crises in the financial sector, and similar developments. Such developments may negatively affect our activities in certain regions or even globally if they have major negative consequences for the global economy or for exploration and exploitation activities in the energy products and commodities markets. Boskalis aims to respond as effectively as possible to both positive and negative developments in individual market segments through a global spread of its activities, an extensive, versatile and internationally based fleet, and strong positions in the home markets. Moreover, our activities are largely focused on the maintenance and development of infrastructure, which means that longer-term developments will generally outweigh short-term economic fluctuations.

Boskalis does not include contracts in the order book until agreement has been reached with the client. Although, historically speaking, cancellations or substantial reductions in the size of contracts after agreement has been reached have been relatively rare, such cancellations or substantial reductions of work in portfolio cannot be ruled out. In the wake of such a cancellation or substantial reduction, losses may arise from the unwinding or settlement of the financial derivatives taken out to cover the related currency risks and/or fuel cost risks but for which the underlying transaction or cash flows will no longer be realized.

Boskalis deals with large, internationally operating competitors as well as more regional or local competitors with activities restricted to one or several submarkets. In most cases, projects and service contracts are brought to the market using public or private tender procedures. With respect to the majority of contracts, competition is price-based. However, clients – primarily in the oil and gas industry and private port operators – are increasingly taking other factors, including qualitative ones, into consideration when awarding contracts.

For the submission of tenders, adequate approval processes are in place, including the evaluation of identified risks and/or potential liabilities associated with the execution of a particular project.

Boskalis' activities are capital-intensive, with dredging in particular being a capital-intensive business with high entry and exit barriers, especially for companies operating in the international arena. Because of the capital-intensive nature of the activities, market prices are to a great extent influenced by the relationship between the demand for services and the available capacity or utilization levels of the equipment. This means that a broad international spread of market positions, and a leadership position in terms of equipment, costs and standardization of equipment are key success factors. Boskalis places a great deal of emphasis on these, both as a critical focal point in operational management and in terms of investment strategy. For individual investment proposals an adequate evaluation and approval process is in place.

As part of implementing its strategy, Boskalis acquires other companies. In order to be able to realize the anticipated results, Boskalis attaches great importance to integrating such acquisitions with care. Creating value for our stakeholders and retaining key personnel are an important part of this process.

OPERATIONAL RISKS

The operational risks faced by Boskalis are varied in nature, particularly as the group operates in various activity segments around the world. This means that the activities are exposed to economic, legal and political risks in the countries where the company operates.

The main operational risks for Boskalis concern the acceptance and execution of projects from clients, as outlined above. For most of our activities, particularly in the Dredging & Earthmoving and Maritime Infrastructure segments as well as several activities in the other segments, such as salvaging sunken or stranded vessels, the most common type of contract is 'fixed price/lump sum'. With this type of contract, the contractor must include nearly all the operating and (procurement and sub-contracting) cost risks in the price. Opportunities to claim payment from the client for any unexpected costs arising during the course of a project tend to be scarce or non-existent. Furthermore, many contracts include 'milestones' as well as penalty clauses if they are not achieved. For these reasons, considerable emphasis is placed on identifying, analyzing and quantifying operating, cost and delay risks of this kind when calculating the cost price and during the tendering procedure.

Operating risks mainly concern unexpected soil and settlement conditions, variable weather or working conditions, technical suitability of the equipment, wear and tear due to the processing of dredged materials, damage to equipment and property of third parties and performance of sub-contractors. Boskalis focuses on proactively controlling such risks, first of all by adopting a structured approach in the tender phase to identify risks and their possible consequences. Each tender is assigned to a particular risk category based on its size and risk profile. Procedures exist for each risk category which prescribe how the tenders should be processed, and which management level is entitled to authorize the tender and set the relevant price and conditions.

During preparations for the tender, and depending on the risk classification and nature of the projects, we use resources such as soil investigations, readily accessible databases containing historical data, and extensive risk analysis techniques. The results of the risk analysis are then used as a factor in determining the cost price and/or selling price, and in setting the tender and/or contract conditions. When a contract is awarded, an updated risk analysis is part of the thorough project preparation process, leading to concrete actions being taken where necessary. In addition, there is a strong focus on instruction and training of staff, a certified quality and safety program, and optimal equipment maintenance. Where possible, certain risks are insured.

The ability to manage operating risks effectively and responsibly is key to the company's professionalism and expertise.

Risks related to price developments on the procurement side, such as costs of materials, sub-contracting costs and fuel, as well as increases in cost of labor, are taken into account in cost-price calculations. Wherever possible and especially on projects with a long completion time, cost indexation clauses are included in the contract, particularly with regard to labor and fuel costs.

Within SMIT's Salvage activities related to shipping accidents, contracts with insurance companies concerning vessels in distress are often concluded based on a standardized 'Lloyd's Open Form' (LOF). In that case, compensation is based on a valuation mechanism related to various factors including the salvage value of the ship and its cargo, the technical complexity of the salvage operation, environmental risks and the use of own equipment and subcontractors. This valuation produces a lump sum, which is finalized through negotiations with the client or an arbitration process. Should it transpire in the course of a salvage operation that the final salvage fee will not be sufficient to cover the costs involved, then the LOF (contract) can be converted to a contract

based on a daily hire fee. This limits the financial risks.
The other major operating risks at the Harbour Towage division are characterized by a broad geographical spread of the activities, with towage contracts often being carried out under long-term contracts with fees being reviewed each year. This allows for changes in local wage cost developments, fuel price developments and the available capacity of the equipment involved – for example tugboats – to be reflected. Terminal services are usually performed under long-term contracts with a fixed price for the contract period, corresponding to the wishes and specifications of the client.
Most contracts include some form of price indexation.

Within the Transport & Heavy Lift segment, equipment often tends to be leased for relatively short periods (spot markets), meaning that the operational risks in general, certainly when compared to the other activities, are relatively limited. Local management on projects and operations is expected to have a grasp of the complexity of working under the specific local circumstances. The scale of local operations is often too small to warrant a fully fledged organization, complete with extensive support services and staff departments. Regular visits by responsible managers and employees from the relevant business units and support from highly qualified central staff departments at the head office make up for this.

FINANCIAL RISKS

In conducting its business, Boskalis is exposed to financial as well as operating risks. This section describes the main financial risk categories.

CURRENCY RISK

A large proportion of projects, particularly dredging projects, are not contracted in euros. Generally, positions in non-euro currencies are fully hedged as soon as they occur, usually with forward exchange contracts. The US dollar exchange rate in relation to the euro is particularly relevant. A large proportion of the projects are contracted in US dollars or in currencies that are linked, to a greater or lesser extent, to the US dollar. Within the dredging industry most of our major international competitors also have a cost structure largely based on the euro. This means that exchange rate fluctuations have no major impact on our relative competitive position. In a number of market segments there is competition from parties whose cost structures are not based on the euro. The competitive impact of currency fluctuations is greater in these market segments. However, on balance, exchange rate fluctuations only have a limited impact on the company's competitive position.

Several important affiliated companies of Boskalis (Archirodon, Smit Lamnalco, Keppel Smit Towage, Asian Lift) are largely or entirely based on the US dollar or Singapore dollar. However, both the revenue structure and the cost structure of these companies are also largely or entirely based on these same currencies. These holdings are viewed from a long-term perspective. Exchange rate risks related to the investments in these holdings are not hedged. It is assumed that currency fluctuations and developments in interest rates and inflation will offset each other in the long term. The income statements of these affiliates are translated at average exchange rates. Translation differences are charged or credited directly to shareholders' equity.

POLITICAL AND CREDIT RISKS

The main risks include disruption by political developments and violence, and the risk of non-payment by clients. Boskalis has a strict risk acceptance and hedging policy for political and payment risks. Except where first-class clients with an excellent credit rating are involved, these risks are in principle covered by measures such as credit insurance, bank guarantees and advance payments. As a matter of principle, revenue and profits are only accounted for once realization is sufficiently certain.

FUEL PRICE RISK

Material fuel costs are hedged in a number of different ways. Where possible, fuel cost variation clauses are included in the contract. Some contracts may also require fuel to be supplied by the client. In other cases, where substantial fuel risks exist, these are usually hedged with financial instruments such as forward contracts or futures.

Financial derivatives (such as forward contracts, options, interest rate swaps and futures) for hedging currency risks, fuel cost risks and/or other risks are only used where there is a physical underlying transaction. However, there is a risk that, in the wake of a cancellation or substantial reduction in the size of contracts, losses may arise from the unwinding or settlement of the financial derivatives taken out but for which the underlying transaction or cash flows will no longer be realized.

LIQUIDITY AND FUNDING RISKS

As is customary in the contracting industry, Boskalis also has large amounts outstanding in the form of bank guarantees or surety bonds (guarantees from insurance companies), usually in favor of clients. Given that the availability of adequate credit and in particular bank guarantee facilities is essential to the uninterrupted conduct of business, Boskalis' funding policy is aimed at maintaining a solid financial position. Our moderate level of leverage in the balance sheet and diversified sources of funding provide for sufficient capacity to absorb liquidity risk and warrants a continuous availability of sufficient credit lines. The company currently has ample credit and bank guarantee facilities at its disposal and operates well within the covenants agreed for the financing arrangements put in place in 2010. We believe that the current state of the financial markets does not present a direct threat to our strength.

INTEREST RATE RISK

By agreeing a fixed interest rate on our US private placement scheme and putting in place an interest rate swap for our main corporate bank loans, our exposure to fluctuations in interest rates is limited.

DAMAGE AND LIABILITIES

Boskalis has taken out a satisfactory package of insurance facilities to cover its tangible fixed assets and potential third-party liability.

INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS

The internal risk management and control systems are based on the principles of effective management control at various levels in the organization and tailored to the day-to-day working environment in which Boskalis operates worldwide. Given the hands-on nature of the company and its short lines of communication, three factors are important in the assessment and evaluation of the internal risk management and control practices and systems at Boskalis:

1. With regard to daily operations, an extensive framework of quality assurance rules, procedures and systems that include clear guidelines for responsibilities, authorization and risk control, forms the backbone of operational risk management and control. The adequacy of this framework is reviewed regularly, also in the light of the increasing diversity of our contracting and project activities, which we undertake in accordance with our strategy. In addition to audits by external agencies, Boskalis also performs regular internal audits under the auspices of the SHE-Q department. Reports of these audits are a regular item on the agenda during meetings of the Board of Management with the business unit managers.

2. The daily management of the Boskalis organization involves clear responsibilities and short, clear lines of command which are defined unambiguously. Both competitively and in project implementation speed, knowledge, and decisiveness are of the essence. Daily management is hands-on.

3. The progress and development of the operating results and the company's financial position, as well as operational and financial risks, are monitored by means of structured periodical reporting, analysis of the financial results, and performance reviews at Board of Management and senior management levels.

RISKS WITH REGARD TO FINANCIAL REPORTING

STRUCTURE OF THE FINANCIAL REPORTING

Financial reporting at Boskalis is structured within a tight framework of budgeting, reporting and forecasting. Reports may be for external or internal use. External reporting consists of an annual report, including financial statements audited by the external auditor, as well as a half-yearly report containing abridged financial information, both consolidated and segmented. The external reports are drawn up in accordance with EU-IFRS on the basis of the internal financial reporting.

Internal financial reporting or 'management reporting' consists of extensive consolidated quarterly reports dealing with actual developments compared to quarterly (cumulative) budgets. Quarterly forecasts are also drawn up of the annual results, cash flows and balance sheet positions at the end of the financial year. The quarterly budgets are part of the annual group budget, which is set every year by the Supervisory Board and the Board of Management. The internal financial reporting has a layered structure – in accordance with the internal allocation of management responsibilities – with consolidation taking place level by level, starting with the projects, moving on to the business units and divisions and ending with group consolidated reports. Project and contract managers are responsible for budgets, income statements and balance sheets for their projects or contracts, which are drawn up in accordance with applicable guidelines and instructions. In turn, business unit managers are responsible for the financial reports of their business units.

Part of the equity consists of investments in associated companies. Boskalis is represented on the board of those associated companies in which it holds a significant participating interest, and as a result has access to (interim) reporting. The figures of significant holdings are verified by an external auditor.

The Board of Management discusses the quarterly reports in formal quarterly meetings with the relevant business unit managers. These meetings are minuted. The consolidated group reports are discussed with the Supervisory Board every quarter.

The structure and quality of the financial accounting and control systems of Boskalis and its group companies are safeguarded by unambiguous and regular internal and external audits. Relevant aspects of the financial accounting and control systems are set out in manuals, guidelines and procedures, all of which are available electronically. Staff is trained in the application of accounting standards, guidelines and procedures. Internal audits to monitor and improve quality and discipline are also conducted on the basis of random and ad hoc investigations ('financial audits') that also contain elements of instruction and training. Moreover, the quality of the financial control systems is evaluated regularly in the context of the activities of the external auditors, who report on it in the management letter.

STATEMENT REGARDING THE RISKS RELATING TO FINANCIAL REPORTING

In spite of the risk management and control systems that Boskalis has put in place, there can be no absolute certainty that mistakes, losses, fraud or unlawful activities will be prevented.

The effectiveness of the internal risk management and control systems has been discussed with the Supervisory Board. No material changes were introduced in the risk management and internal control systems during the course of the year under review. Given the structure and operation of the financial reporting and control systems at Boskalis, the Board of Management is of the opinion that:

- the internal risk management and control systems provide a reasonable degree of assurance that the financial reporting does not contain any errors of material importance; and
- the risk management and control systems worked properly during the year under review.

CORPORATE GOVERNANCE

The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of our stakeholders.

APPLICATION AT BOSKALIS

Boskalis operates a two-tier board model, which means that management and supervision are segregated.

The Board of Management is responsible for the day-to-day management of the business, and for setting out and realizing the company's long-term strategy along with the associated risks, the results and entrepreneurial aspects relevant to the company. The Board of Management is responsible for establishing the company's objectives, implementing its business policies and for the resulting performance. The Board of Management is accountable to the Supervisory Board and the General Meeting of Shareholders. In performing its tasks, the Board of Management is guided by the interests of the company and its activities, and takes into account any relevant interests of parties involved with the company.

The Supervisory Board is responsible for supervising management performance and advising the Board of Management. The Supervisory Board is supported in its work by three so-called core committees: the Audit Committee, the Remuneration Committee and the Selection and Appointment Committee. For a summary of the committees' activities in 2011 please refer to pages 25 to 28 of this report.

At Boskalis there is close collaboration between the Supervisory Board and its committees, the Board of Management and the stakeholders. The Board of Management and the Supervisory Board are jointly responsible for looking after the interests of our stakeholders, which includes creating shareholder value in the long term.

Our stakeholders are those groups and individuals that directly or indirectly influence the company's activities, or are influenced by them. They include the employees, shareholders and other financiers, suppliers, clients, government bodies and the communities in which Boskalis operates.

At least one General Meeting of Shareholders takes place every year. Its tasks include the adoption of financial statements and it holds authority with regard to the appointment and dismissal of Supervisory Board members.

The interests of employees are promoted by the Works Council, which provides ongoing employee representation as required under the Dutch Works Councils Act. It is the task of the Works Council to ensure that management objectives correspond to those of the employees.

The general standards and values relating to our business activities are set out in the 'Statement of General Business Principles' which can be found on the company's website. In addition, the core values and rules for safety at work are set out in our safety program, *NINA* (No Injuries, No Accidents). The Board of Management regularly stresses the importance of complying with the general business principles and the *NINA* principles. The Board of Management also provides employees with the opportunity to report any alleged irregularities of a general, operational or financial nature to an independent confidential counsellor, without jeopardizing their legal position.

COMPLIANCE

Boskalis shares are listed and traded on NYSE Euronext Amsterdam N.V.

The Dutch Corporate Governance Code (the 'Code') applies to all Dutch companies listed on the stock exchange and comprises a code of conduct for governance best practice. This Code includes both specific principles and best practice provisions, as well as guidelines for their proper supervision.

Boskalis subscribes to the notion that a sound and transparent system of checks and balances is key to maintaining confidence in companies operating on the capital market. Boskalis believes clarity and openness in accountability and supervision are the cornerstones of good management and entrepreneurship.

As required since the introduction of the Code in 2004, Boskalis published an 'Apply or Explain' report that sets out how the principles and best practice provisions are applied at Boskalis. This report is available on the website and copies can also be requested from the company.

Boskalis subscribes to and applies all the principles and best practice provisions contained in the Corporate Governance Code, with the exception of the following provisions:

- In deviation of best practice II.1.1., the chairman of the Board of Management has been appointed for an indefinite period of time. This appointment predates the introduction of the Corporate Governance Code. The contract of employment of this member of the Board of Management was also entered into prior to the introduction of the Corporate Governance Code and applies for an indefinite period of time. Boskalis does apply this best practice provision to the other members and new members of the Board of Management.
- The contracts of employment of two of the members of the Board of Management deviate from best practice provision II.2.8. The contract of the chairman provides for a severance payment equal to 18 months and the contract of the Chief Financial Officer provides for a 24-month severance payment. Boskalis does apply this best practice provision to the contracts of other members and new members of the Board of Management.

The Corporate Governance Declaration can be found on the corporate website www.boskalis.com.

OUTLOOK

The financial position of Boskalis is very solid. The capital expenditure for the period 2012-13 is estimated to amount to around EUR 600-700 million. The expectation is that this can be funded from our cash flow.

Given the current market conditions we also expect that 2012 will be affected by a slow down on the positive drivers that underpin our strategy. This situation, combined with the project-based nature of a significant part of our activities means that we are currently unable to provide quantitative guidance for the 2012 annual result. We anticipate, however, that we will not be able to match the 2011 result. Based on current insights we do not foresee a materially different market environment in 2012 relative to 2011, but prospects for the medium term are more positive.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

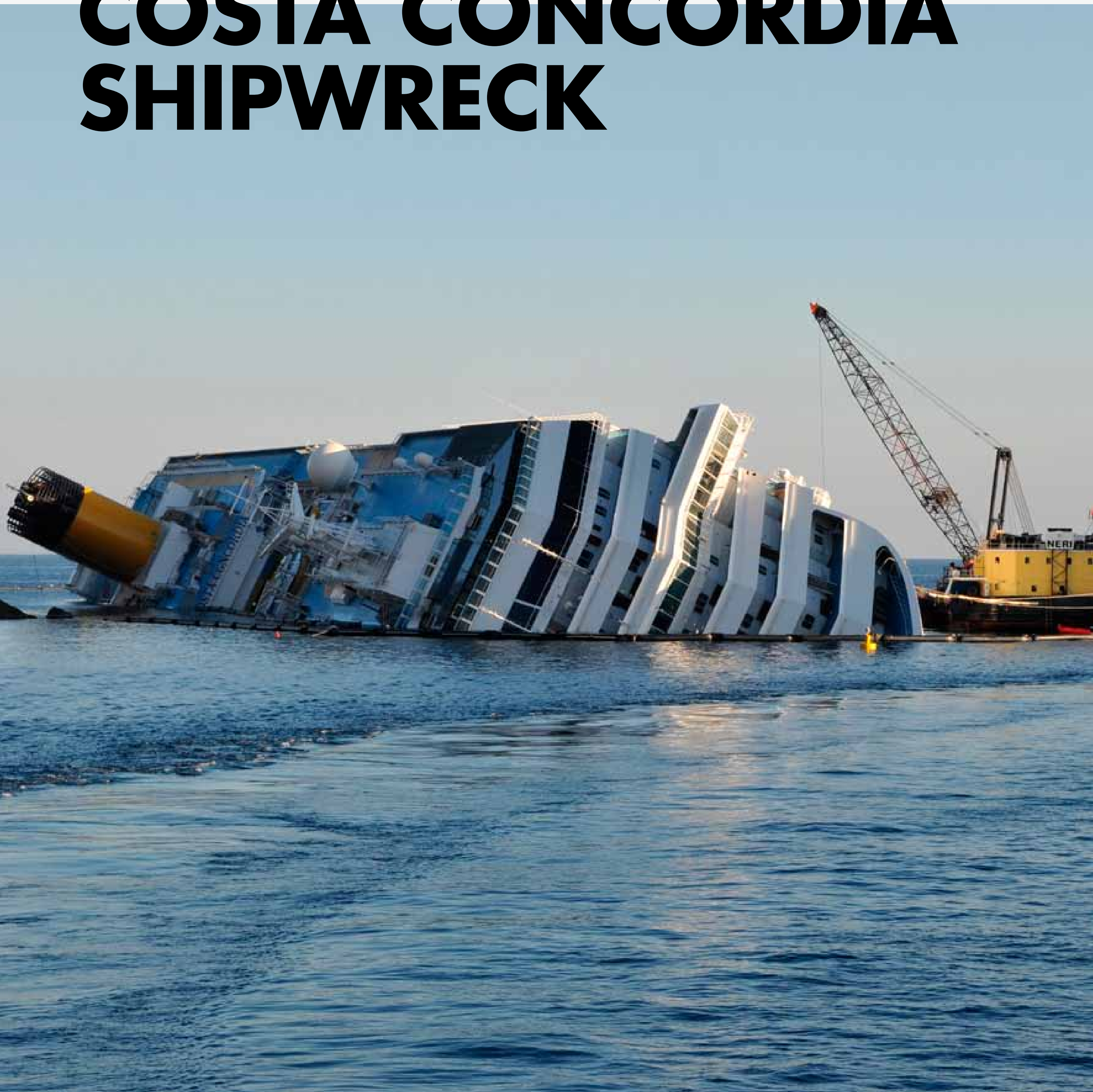
The Board of Management of Royal Boskalis Westminster N.V. hereby declares, in accordance with article 5:25c of the Dutch Financial Supervision Act, that to the best of its knowledge:

(1) the financial statements, which have been prepared in accordance with the applicable standards for preparing financial statements and as included on pages 61 to 118 of the Annual Report, provide a true and fair view of the assets, liabilities and financial position as at 31 December 2011 as well as the profit or loss of Royal Boskalis Westminster N.V. and all the business undertakings included in the consolidation;
(2) the annual report provides a true and fair view of the condition, the business performance during the financial year of Royal Boskalis Westminster N.V. and the companies associated with it whose details are included in the financial statements, as at the balance sheet date of 31 December 2011;
(3) the annual report provides a description of the material risks faced by the company.

Papendrecht / Sliedrecht, 14 March 2012

Board of Management
dr. P.A.M. Berdowski, chairman
T.L. Baartmans
J.H. Kamps, CFO

SMIT SALVAGE QUICKLY PRESENT AT THE SCENE AFTER COSTA CONCORDIA SHIPWRECK



On 13 January 2012, the 290 meter long and 35 meter wide cruise ship Costa Concordia ran aground off the coast of the Italian island of Giglio. SMIT Salvage arrived at the scene the next day and immediately offered its services to aid an efficient emergency response operation. In the days following the disaster the owners and underwriters of the ship awarded SMIT and its Italian partner Tito Neri the contract to remove the oil from the stricken ship and to take measures to prevent environmental damage. Not an easy task, given the size and position of the ship.

Before the work could begin, Boskalis conducted a subsea inspection of the conditions of the seabed under the ship as well as the rock formations it was listing against. This was necessary since SMIT needed to determine how stable the ship was before it could start work on pumping off over 2,000 tonnes of fuel divided over 17 bunker tanks.

At the request of the Italian authorities SMIT took a number of extra precautions. A double inflatable oil boom was positioned around the ship as a floating barrier to prevent oil from spreading in the seawater in the unlikely event of a spill.

SMIT used special Hot-Tap technology to remove the oil. The oil was pumped from the ship through a valve placed in the tops of the fuel tanks; at the same time water was let into the bottom of the tanks through another valve. The purpose of this was to replace the oil with water in order to maintain the ship's stability. A crane barge was moored alongside the cruise liner, supporting the pumping equipment, a steam heating plant and diving equipment. On the other side of the crane barge an oil tanker was positioned with all the equipment needed for the immediate disposal of the oil from the Costa Concordia.

On 28 January everything was in place for the pumping operation to begin. SMIT was ready for the job but adverse weather conditions prevented a swift start. It was not until 13 February that the first oil could be removed in a safe and controlled manner. As this annual report went to press the work had reached a concluding stage.

BOSKALIS FINANCIAL STATEMENTS 2011

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CONSOLIDATED INCOME STATEMENT

(in € 1,000)	Note	2011	2010
OPERATING INCOME			
Revenue	[6]	**2,801,037**	2,674,439
Other income	[7]	**8,780**	38,289
		2,809,817	2,712,728
OPERATING EXPENSES			
Raw materials, consumables, services and subcontracted work	[8]	**- 1,669,675**	- 1,594,802
Personnel expenses	[9]	**- 549,661**	- 496,452
Depreciation, amortization and impairment losses	[14/15]	**- 236,388**	- 219,604
		- 2,455,724	- 2,310,858
OPERATING RESULT		**354,093**	401,870
FINANCE INCOME AND EXPENSES			
Finance income	[10]	**22,987**	23,238
Finance expenses	[10]	**- 63,355**	- 60,074
		- 40,368	- 36,836
Share in result of associated companies (after taxation)	[16]	**2,020**	24,973
PROFIT BEFORE TAXATION		**315,745**	390,007
Taxation	[11]	**- 54,735**	- 77,125
NET GROUP PROFIT		**261,010**	312,882
NET GROUP PROFIT ATTRIBUTABLE TO:			
Shareholders		**254,254**	310,517
Non-controlling interests		**6,756**	2,365
		261,010	312,882
Average number of shares	[22.4]	**102,390,642**	99,962,337
Earnings per share	[22.4]	**€ 2.48**	€ 3.11
Diluted earnings per share	[22.4]	**€ 2.48**	€ 3.11

The notes on pages 70 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES

(in € 1,000)	Note	**2011**	2010
NET GROUP PROFIT FOR THE PERIOD		**261,010**	312,882
UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD			
Currency translation differences on foreign operations		**- 823**	37,864
Actuarial gains and losses and asset limitation on defined benefit pension schemes	[24.1]	**- 58,789**	- 28,593
Movement in fair value of cash flow hedges	[27.2]	**6,074**	- 11,554
Income tax on unrecognized income and expenses	[13]	**10,847**	6,624
Unrecognized income and expenses for the period, net of income tax		**- 42,691**	4,341
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD		**218,319**	317,223
ATTRIBUTABLE TO:			
Shareholders		**212,528**	313,340
Non-controlling interests		**5,791**	3,883
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD		**218,319**	317,223

The notes on pages 70 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

(in € 1,000)	Note	December 31 2011	2010
ASSETS			
Non-current assets			
Intangible assets	[14]	**595,596**	593,677
Property, plant and equipment	[15]	**2,206,038**	2,178,625
Investments in associated companies	[16]	**23,428**	20,617
Non-current receivables	[17]	**112,064**	40,373
Derivatives		**155**	106
Deferred income tax assets	[13]	**28,813**	18,706
		2,966,094	2,852,104
Current assets			
Inventories	[18]	**97,717**	86,906
Due from customers	[19]	**234,353**	197,170
Trade and other receivables	[20]	**949,171**	793,339
Derivatives		**7,080**	4,930
Income tax receivable	[12]	**21,298**	23,060
Cash and cash equivalents	[21]	**397,957**	357,744
		1,707,576	1,463,149
TOTAL ASSETS		**4,673,670**	4,315,253
Group equity			
Issued capital	[22]	**82,777**	80,779
Share premium	[22]	**230,360**	231,335
Other reserves	[22]	**230,175**	150,803
Retained earnings	[22]	**1,189,500**	1,102,053
Shareholders' equity		**1,732,812**	1,564,970
Non-controlling interests		**14,503**	34,324
TOTAL GROUP EQUITY	[22]	**1,747,315**	1,599,294
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	[23]	**679,696**	705,003
Employee benefits	[24]	**83,864**	35,896
Deferred income tax liabilities	[13]	**93,483**	104,135
Provisions	[25]	**26,996**	42,986
Derivatives		**10,462**	21,496
		894,501	909,516
Current liabilities			
Due to customers	[19]	**488,881**	479,264
Interest-bearing borrowings	[23]	**112,572**	102,766
Bank overdrafts	[21]	**15,364**	1,475
Income tax payable	[12]	**149,816**	163,107
Trade and other payables	[26]	**1,233,125**	1,022,113
Derivatives		**20,853**	23,211
Provisions	[25]	**11,243**	14,507
		2,031,854	1,806,443
TOTAL LIABILITIES		**2,926,355**	2,715,959
TOTAL GROUP EQUITY AND LIABILITIES		**4,673,670**	4,315,253

The notes on pages 70 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € 1,000)	Note	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Net group profit		**261,010**	312,882
Depreciation, amortization and impairment losses		**236,388**	219,604
Cash flow		**497,398**	532,486
Adjustments for:			
Finance income and expenses		**40,368**	36,836
Taxation		**54,735**	77,125
Results from disposals of property, plant and equipment		**- 4,101**	- 4,710
Movement non-current receivables		**5,488**	- 21,924
Movement provisions (including direct equity movements)		**- 20,712**	- 15,556
Movement in inventories		**- 4,635**	2,028
Movement trade and other receivables		**- 64,014**	- 28,394
Movement trade and other payables		**72,505**	89,227
Movement due from and due to customers		**- 14,390**	- 43,206
Result of associated companies		**- 2,020**	- 24,973
Cash generated from operating activities		**560,622**	598,939
Dividends received		**729**	17,611
Interest received		**8,324**	5,094
Interest paid		**- 44,578**	- 29,975
Income taxes paid		**- 75,915**	- 64,210
Net cash from operating activities		**449,182**	527,459
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of intangible assets and property, plant and equipment, excluding recognized borrowing costs		**- 293,326**	- 329,205
Proceeds from disposals of property, plant and equipment		**35,831**	38,173
Net investment in group companies, net of cash acquired		**- 105,256**	- 675,146
Disposal of (a part of) group companies, net of cash disposed and loans issued		**82,953**	—
Net investments in associated companies		**1,772**	- 50,383
Net cash used in investing activities		**- 278,026**	- 1,016,561
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		**529,088**	2,194,756
Repayment of loans		**- 607,195**	- 1,869,500
Transaction costs relating to the arrangement of credit facilities		**- 2,149**	- 17,179
Net investment in non-controlling interests		**- 19,939**	—
Dividends paid to the Company's shareholders		**- 44,686**	- 44,137
Dividends paid to non-controlling interests		**- 5,673**	- 2,031
Net cash used in / from financing activities		**- 150,554**	261,909
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**20,602**	- 227,193
Net cash and cash equivalents as at January 1	[21]	**356,269**	593,489
Net (decrease) / increase in cash and cash equivalents		**20,602**	- 227,193
Currency translation differences		**5,722**	- 10,027
MOVEMENT IN NET CASH AND CASH EQUIVALENTS		**26,324**	- 237,220
NET CASH AND CASH EQUIVALENTS AS AT DECEMBER 31	[21]	**382,593**	356,269

The notes on pages 70 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € 1,000)	ISSUED CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTEREST	TOTAL GROUP EQUITY
Note	[22.1]	[22.1]	[22.5]	[22.2]			
Balance as at January 1, 2011	**80,779**	**231,335**	**150,803**	**1,102,053**	**1,564,970**	**34,324**	**1,599,294**
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD							
Net group profit for the period	**–**	**–**	**–**	**254,254**	**254,254**	**6,756**	**261,010**
Unrecognized income and expenses for the period							
Foreign currency translation differences for foreign operations	**–**	**–**	**2,373**	**–**	**2,373**	**- 965**	**1,408**
Effective cash flow hedges, after taxation	**–**	**–**	**5,153**	**–**	**5,153**	**–**	**5,153**
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation	**–**	**–**	**- 49,252**	**–**	**- 49,252**	**–**	**- 49,252**
Revaluation existing participation prior to business combination with SMIT	**–**	**–**	**17,316**	**- 17,316**	**–**	**–**	**–**
Movement other legal reserve	**–**	**–**	**103,782**	**- 103,782**	**–**	**–**	**–**
Total unrecognized income and expenses for the period	**–**	**–**	**79,372**	**- 121,098**	**- 41,726**	**- 965**	**- 42,691**
Total recognized and unrecognized income and expenses for the period	**–**	**–**	**79,372**	**133,156**	**212,528**	**5,791**	**218,319**
TRANSACTIONS WITH SHAREHOLDERS, RECOGNIZED DIRECTLY IN EQUITY							
Distributions to shareholders							
Cash dividend	**–**	**–**	**–**	**- 44,686**	**- 44,686**	**- 5,673**	**- 50,359**
Stock dividend	**1,998**	**- 975**	**–**	**- 1,023**	**–**	**–**	**–**
Movements in interests in subsidiaries							
New in consolidation	**–**	**–**	**–**	**–**	**–**	**6**	**6**
Non-controlling interest in Smit Internationale N.V.	**–**	**–**	**–**	**–**	**–**	**- 19,945**	**- 19,945**
Total transactions with shareholders	**1,998**	**- 975**	**–**	**- 45,709**	**- 44,686**	**- 25,612**	**- 70,298**
Balance as at December 31, 2011	**82,777**	**230,360**	**230,175**	**1,189,500**	**1,732,812**	**14,503**	**1,747,315**

The notes on pages 70 to 113 are an integral part of these consolidated financial statements.

(in € 1,000)	ISSUED CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTEREST	TOTAL GROUP EQUITY
Note	[22.1]	[22.1]	[22.5]	[22.2]			
Balance as at January 1, 2010	78,921	232,076	77,181	907,589	1,295,767	9,154	1,304,921
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD							
Net group profit for the period	—	—	—	310,517	310,517	2,365	312,882
Untrecognized income and expenses for the period							
Foreign currency translation differences for foreign operations	—	—	36,909	—	36,909	1,518	38,427
Effective cash flow hedges, after taxation	—	—	- 10,616	—	- 10,616	—	- 10,616
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation	—	—	- 23,470	—	- 23,470	—	- 23,470
Movement other legal reserve	—	—	70,799	- 70,799	—	—	—
Total unrecognized income and expenses for the period	—	—	73,622	- 70,799	2,823	1,518	4,341
Total recognized and unrecognized income and expenses for the period	—	—	73,622	239,718	313,340	3,883	317,223
TRANSACTIONS WITH SHAREHOLDERS, RECOGNIZED DIRECTLY IN EQUITY							
Distributions to shareholders							
Cash dividend	—	—	—	- 44,137	- 44,137	- 2,031	- 46,168
Stock dividend	1,858	- 741	—	- 1,117	—	—	—
Movements in interests in subsidiaries							
New in consolidation	—	—	—	—	—	2,750	2,750
Non-controlling interest in Smit Internationale N.V.	—	—	—	—	—	20,568	20,568
Total transactions with shareholders	1,858	- 741	—	- 45,254	- 44,137	21,287	- 22,850
Balance as at December 31, 2010	80,779	231,335	150,803	1,102,053	1,564,970	34,324	1,599,294

The notes on pages 70 to 113 are an integral part of these consolidated financial statements.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. Royal Boskalis Westminster N.V. (the 'company') has its registered office in Sliedrecht, the Netherlands, and its head office is located in Papendrecht, the Netherlands. The company is a public limited company listed on the NYSE Euronext Amsterdam stock exchange. The consolidated financial statements of Royal Boskalis Westminster N.V. for 2011 include the company and group companies (hereinafter referred to jointly as the 'Group' and individually as the 'Group entities') and the interests of the Group in associated companies and entities over which it has joint control.

The consolidated financial statements were prepared by the Board of Management and have been signed on March 14, 2012. The financial statements 2011 will be submitted for approval to the Annual General Meeting of Shareholders of May 10, 2012.

2. COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 COMPLIANCE STATEMENT

The consolidated financial statements and the accompanying explanatory notes have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and with Part 9 of Book 2 of the Netherlands Civil Code.

2.2 NEW AND REVISED STANDARDS

There are no standards, amendments to standards and interpretations, that are being applied for the first time in 2011 and that have a significant effect on the financial statements.

2.3 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following standards, amendments to standards and interpretations, are not effective in 2011 and therefore have not been applied in these consolidated financial statements. Based on the current insights, the Group does not plan to adopt these standards and interpretations early and the extent of the possible impact has not been determined. The most important possible changes for the Group can be can be summarized as follows:

- The new IAS 19 Employee Benefits includes a number of changes with respect to the recognition, presentation and disclosure, which should make pensionreporting less complex and more comparable. Key changes comprise that the option of applying the "corridor method" is eliminated, the expected return on plan assets and the interest cost on pensionobligation should be based on the IAS 19-discount rate (which is derived from a high quality corporate bond rate) and the disclosure requirements, mainly related to specific pensionrisks are strongly extended.
- IFRS 9 Financial instruments: classification and measurement, has an effective date for annual periods starting on or after January 1, 2015 with earlier application being permitted.
- IFRS 11 Joint arrangements revises the accounting for joint ventures (in the new standard called "joint arrangements"). Most important change is that for joint arrangements the option of applying the "equity" method or proportional consolidation is removed; only the equity method can be applied for joint ventures and joint operations should be consolidated proportionally. IFRS 11 and the amended IAS 28 are effective for annual periods beginning on or after January 1, 2013.
- IFRS 12 Disclosure of interests in other entities includes the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013.
- IFRS 13 Fair value measurement establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements, but does not introduce new fair value measurements.
- The amendments in IAS 1 Presentation of items of other comprehensive income require that an entity presents separately the items of other comprehensive income that would be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss.

3 PRINCIPLES OF FINANCIAL REPORTING

The principles for financial reporting subsequently disclosed are applied consistently for all periods included in these consolidated financial statements and have been applied consistently by the Group entities.

3.1 FORMAT AND VALUATION

The consolidated financial statements are drawn up in euros, the Group's functional currency. The consolidated financial statements are based upon historical cost to the extent that IFRS does not prescribe another accounting method for specific items. Preparing financial statements means that estimates and assumptions made by the management partly determine the recognized amounts under assets, liabilities, revenues and costs. The estimates and assumptions are mainly related to the measurement of intangible assets (including goodwill), property, plant and equipment, results on completion of work in progress, pension liabilities, taxation, provisions and financial instruments. Judgements made by management within the application of IFRS with an material effect on the financial statements are the qualifications of investments as Group companies, joint ventures or associated companies. Details are incorporated in the explanatory notes to these items. Next to the elements already explained in the explanantory notes to the financial statements, there are no other critical valuation judgements in the application of the principles that need further explanation. The estimates made and the related assumptions are based on management's experience and understanding and the development of external factors that can be considered reasonable under the given circumstances. Estimates and assumptions are subject to alterations as a result of changes to facts and understanding and may have different outcomes per reporting period. Any differences are recognized in the balance sheet or income statement, depending on the nature of the item. The actual results may deviate from results reported previously on the basis of estimates and assumptions. Unless stated otherwise, all amounts in the notes in these financial statements are stated in thousands of euros.

3.2 CONSOLIDATION

3.2.1. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are recognised in profit or loss.
Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Accounting for acquisitions of non-controlling interests
Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

3.2.2 GROUP COMPANIES

Group companies are included in the consolidation for 100% on the basis of existing control, taking into account any minority interests. The financial statements of Group companies are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of Group companies have been changed when necessary to align them with the policies adopted by the Group.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as a joint venture or as an associated company depending on the level and nature of influence retained.

3.2.3 JOINT VENTURES

Joint ventures are those entities over which the Group has joint control, whereby this control has been laid down in a contract and strategic decisions on financial and operational policy are taken by unanimous agreement. Joint ventures, both strategic alliances and contractual project-driven construction consortiums, are included in the consolidation on a proportional basis in accordance with the share in joint control. Amounts receivable from and payable to project-driven construction consortiums are eliminated in the consolidation. Elimination differences as a result of imbalances between partners in current account relation with project-driven construction consortiums, for example timing differences in supply, are recognized in the consolidated balance sheet under other receivables or other creditors.

3.2.4 ASSOCIATED COMPANIES

Shareholdings that are not eligible for consolidation based on control, but where there is significant influence on the financial and operating policy, are recognized under associated companies. Significant influence is presumed to exist when the Group holds 20 percent or more of the voting power of another entity. The consolidated financial statements include the Group's share in the result of associated companies, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases (see note 3.8).

3.2.5 ELIMINATION OF TRANSACTIONS UPON CONSOLIDATION

Intragroup receivables and payables, as well as intragroup transactions and finance income and expenses and unrealized results within the Group and with associated companies and joint ventures, are eliminated in preparing the consolidated financial statements to the extent of the Group's share in the entity.

3.3 FOREIGN CURRENCIES

The assets and liabilities of foreign Group companies and joint ventures that are denominated in functional currencies other than the euro have been translated at the exchange rates as at the end of the reporting period. The income statement items of the foreign Group companies and joint ventures concerned have been translated at average exchange rates, which approximate the applicable exchange rates at transaction settlement date. Resulting currency translation differences are added or charged directly to the currency translation reserve in group equity. Exchange rate differences as a result of operational transactions are included in the consolidated income statement of the reporting period. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences on non-current receivables, loans and other borrowings are recognized as finance income and expenses; other foreign currency differences as a result of transactions are recognized in the related items within the operating result.

3.4 DERIVATIVES AND HEDGING

It is the policy of the Group to use cash flow hedges to cover all operational currency risks that mainly relate to future cash flows from contracts that are highly probable and that are denominated in currencies other than the relevant functional currency. Fuel price risks and interest rate risks in future cash flows can be hedged from time to time using specific derivatives.

Hedge accounting is applied to the majority of cash flow hedges as follows. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80 - 125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

The application of hedge accounting means that movements in the market value of cash flow hedges not yet settled – including results realized on the "rolling forward" of existing hedges as a result of differences between the duration of the hedges concerned and the underlying cash flows – will be directly added or charged to the hedging reserve in group equity, taking taxation into account. If a cash flow hedge added or charged to the group equity either expires, is closed or is settled, or the hedge relation with the underlying cash flows can no longer be considered effective, the accumulated result will continue to be recognized in group equity as long as the underlying cash flow is still expected to take place. When the underlying cash flow actually takes place, the accumulated result is included directly in the income statement. Movements in the market value of cash flow hedges to which no hedge accounting is applied (ineffective cash flow hedges and the ineffective portion of effective cash flow hedges) are included in the income statement for the reporting period. Results from settled effective cash flow hedges and the movements in the market value of ineffective cash flow hedges insofar these relate to non-current receivables, loans and other borrowings are recognized as finance income and finance expenses and otherwise in the related items within operating result. The purchase or sale of financial instruments is generally recorded at transaction rate. Derivatives are stated at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described.

3.5 IMPAIRMENT

The book value of the assets of the Group, excluding inventories, assets arising from employee benefits and deferred income tax assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, an estimate of the realizable amount of the asset is made. For goodwill, assets with an indefinite useful life, the realizable amount is estimated annually. An impairment loss is recognized when the book value of an asset or its cash-generating unit to which it belongs exceeds its realizable amount.

Impairment losses are recognized in the income statement. Impairment losses recognized in respect of cash generating units are allocated first to reduce the book value of any cash-generating units (or groups of units) goodwill and then proportionally deducted from the book value of the assets of the unit (or group of units).

The realizable amount of receivables accounted for at amortized cost is calculated as the present value of expected future cash flows, discounted at the effective interest rate. For the other assets or cash generating units, the realizable amount equals the fair value less costs to sell or value, whichever is higher. In determining the value, the present value of estimated future cash flows is calculated using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For floating and other construction material the discount rate takes into account risks to the extent they have not already been included in the estimated future cash flows.

Indications of impairment of floating and other construction material are based on long-term expectations for the utilization of equipment or of interchangeable equipment. If there is any indication of impairment, the realizable value of the asset concerned is determined on the basis of the net realizable value or present value of the estimated future cash flows over the remaining useful life of the equipment from the utilization of the relevant equipment or group of interchangeable equipment.

In respect of goodwill no impairment losses are reversed. An impairment loss in respect of an receivable account for at amortized cost is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recorded. For other assets, impairment losses are reversed if the estimates used to determine the realizable amount give cause to do so, but only to the extent that the book value of the asset does not exceed the book value net of depreciation or amortization that would have applied if no impairment loss had been recognized.

3.6 INTANGIBLE ASSETS

Goodwill arises upon acquiring Group companies, joint ventures and associated companies and is calculated as the difference between the acquisition price and the fair value of the assets and liabilities acquired, according to the accounting principles of Royal Boskalis Westminster N.V. The goodwill has been allocated to the cash generating unit representing the lowest level within the Group at which the goodwill is monitored for internal management purposes, which does not exceed the level of the Group's operating units. Goodwill and other intangible assets are capitalized net of accumulated amortization and accumulated impairment losses. Goodwill and intangible assets with an infinite useful life are not systematically amortized, but are tested for impairment every year or in case of an indication for impairment (see note 3.5). Negative goodwill that may arise upon acquisition is added directly to the income statement. In respect of associated companies, the book value of goodwill is included in the book value of the investment.

Other intangible assets are capitalized only when it is probable that future economic benefits embodied in an asset, will flow to the Group and the cost of the asset can be reliably measured. Other intangible assets with a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses. Amortization of trademarks valued at acquisition takes place over four years, the amortization of customer portfolios and contracts valued at acquisition takes place over seven to thirteen years.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is expensed as incurred. Development expenditure is capitalized when material. Development activities are particularly related to investments in dredging equipment. The limited costs for research and development are by their nature directly charged to the income statement.

3.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost price less accumulated depreciation calculated from the date of commissioning and accumulated impairment losses. The cost price is based on the purchase price and / or the internally generated cost based on directly attributable expenses The depreciation, allowing for an assumed residual value, is calculated over the estimated remaining useful lives assigned to the various categories of assets. Modifications and capacity enhancing investments are also capitalized at cost and amortized over the remaining life of the asset. Property, plant and equipment under construction are included in the balance sheet on the basis of installments paid, including interest during construction. Where property, plant and equipment consist of components with different useful lives, they are accounted for as separate items.

Buildings are depreciated over periods ranging from ten to fifty years. The depreciation periods of the majority floating and other construction materials ranges from ten to twenty years. Furnitures and other fixed assets are depreciated over a period between three and ten years. Land is not depreciated.

The wear of dredging equipment is highly dependent on unpredictable project-specific combinations of soil conditions, material to be processed, maritime circumstances, and the intensity of the deployment of the equipment. As a result of this erratic and time-independent patterns, the maintenance and repair expenses for upkeep the assets are charged to the income statement. In exceptional cases, maintenance and repair expenses are eligible for capitalization and linear depreciation.

Upon its disposal the revaluation surplus of an item of property, plant and equipment is transferred from the revaluation reserve to the retained earnings.

Methods for depreciation, useful life and residual value are reassessed at the end of each financial year and amended if necessary.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's consolidated balance sheet.

3.8 ASSOCIATED COMPANIES

Associated companies are initially recognized at cost including the goodwill determined at acquisition date. Subsequently accounted companies are accounted for using the equity method, adjusted for differences with the accounting principles of the Group, less any accumulated impairment. When the Group's share of losses exceeds the book value of the associated company, the book value is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

3.9 NON-CURRENT RECEIVABLES

The non-current receivables are mainly held on a long-term basis and/or until maturity and are carried at amortized cost. Accumulated impairment losses are deducted from the book value.

3.10 INVENTORIES

Inventories, which mainly consist of fuel, auxiliary materials and spare parts, are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling.

3.11 DUE FROM AND DUE TO CUSTOMERS

Due from and due to customers concerns the gross amount yet to be charged which is expected to be received from customers for contractual work done up to the reporting date (hereinafter: "work in progress") and services rendered (mainly salvage work). Work in progress is valued at the cost price of the work done, plus a part of the expected results upon completion of the project in proportion to the progress made and less progress billings, advances and possible provisions for losses. Provisions are recognized for expected losses on work in progress as soon as they are foreseen, and deducted from the cost price; if necessary, any profits already recognized are reversed. The cost price includes project costs, consisting of payroll costs, materials, costs of subcontracted work, rental charges and maintenance costs for the equipment used and other project costs. The rates used are based on the expected average occupation in the long run. The progress of a project is determined on the basis of the cost of the work done in relation to the expected cost price of the project as a whole. Profits are not recognized unless a reliable estimate can be made of the result on completion of the project. The balance of the value of work in progress, progress billings and advance payments is determined per project. For projects where the progress billings and advance payments exceed the value of work in progress, the balance is recognized under current liabilities instead of under current assets. The respective balance sheet items are "due from customers for work in progress" and "due to customers". Salvage work that is completed at the balance sheet date, but for which the proceeds are not yet finally determined between parties, is recognized at expected proceeds taking into account the estimation uncertainty less progress billings and advances. If the revenue of a completed salvage contract cannot be estimated reliably, revenue is recognized to the maximum of the extent of the recognized expenses. For expected losses on salvage work, provisions are recognized as soon as they are foreseen.

3.12 TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated initially at fair value and subsequently at amortized cost less accumulated impairment losses, such as doubtful debts. Amortized cost is determined using the effective interest rate.

3.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank balances and deposits with terms of no more than three months. The explanatory notes disclose the extent to which cash and cash equivalents are not freely available as a result of transfer restrictions, joint control or other legal restrictions. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

3.14 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.15 INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are liabilities to financial institutions. At initial recognition, interest-bearing borrowings are stated at fair value less transaction costs. Subsequently, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

3.16 EMPLOYEE BENEFITS

Defined contribution pension schemes

A defined contribution pension scheme is a post-employment benefit scheme under which an entity pays fixed contributions into a separate entity. The entity will have no legal or constructive obligation to pay further amounts if the pension fund has insufficient funds to pay employee benefits in connection with services rendered by the employee in the current of prior periods. Obligations for contributions to defined contribution pension schemes are recognized as an employee benefit expense as part of the personnel expenses in the income statement when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payment is available. Contributions to a defined contribution pension sheme payable more than twelve months after the period during which the employee rendered the services, are discounted.

Defined benefit pension schemes

A defined benefit pension scheme is every post-employment benefit scheme other than a defined contribution scheme. For each separate defined benefit pension scheme, the net asset or liability is determined as the balance of the discounted value of the future payments to employees and former employees, less the fair value of plan assets. The calculations are done by qualified actuaries using the projected unit credit method. The discount rate equals the yield on high quality corporate bonds as at the balance sheet date, with the period to maturity of the bonds approximating the duration of the liability. If the calculation results in a positive balance for the group, the asset is included up to an amount equal to any unrecognized past service pension costs and the discounted value of economic benefits in the form of possible future refunds or lower future pension premiums from the fund. In calculating the discounted value of economic benefits, the lowest possible financing obligations are taken into account as applicable to the individual schemes in force within the group. An economic benefit is receivable by the Group if it can be realized within the period to maturity of the scheme or upon settlement of the scheme's obligations. Actuarial gains and losses, including any movements in limitations on the net pension assets, are recognized in the unrecognized results within the Consolidated statement of recognized and unrecognized income and expenses. Past service costs are charged to the income statement on a straight-line basis over the average period until the benefits become vested, insofar as the benefits are not granted unconditionally.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.
A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

Other long-term employee benefits

The other long-term employee benefits consist mainly of jubilee benefits. The calculation of these liabilities is executed according to the 'projected unit method' using the actuarial assumptions for the predominant defined benefit scheme.

Share-based remuneration plans

Member of the Board of Management are granted a bonus scheme that is based on the development of the share price, whereby the bonus is distributed in cash. The fair value of the amount payable over the year, is recognised as personnel expenses in the income statement, with a corresponding increase in liabilities. The liability is remeasured each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in the income statement.

3.17 PROVISIONS

Provisions are determined on the basis of estimates of future outflows of economic benefits relating to operational activities for legal or constructive obligations of an uncertain size or with an uncertain settlement date that arise from past events and for which a reliable estimate can be made. Provisions are discounted insofar as the difference between the discounted value and nominal value is material. Provisions, if applicable, relate to reorganization, warranties, provisions for unfavarouble contracts and onerous contracts, legal proceedings and submitted claims. Provisions for reorganization costs are recognized when a detailed and formal plan is announced at balance sheet date to all those concerned or when the execution of the plan has commenced. Provisions for warranties are recognized for warranty claims relating to completed projects with agreed warranty periods applying to some of the consolidated/ proportionally consolidated entities. The book value of these provisions is based on common practice in the industry and the company's history of warranty claims over the past ten years for relevant projects.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group form a contract are lower than the unavoidable cost of meeting its obligations under the contract.

In accordance with the Group's policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expenses, is recognized when the land is contaminated.

3.18 TRADE AND OTHER PAYABLES

Trade and other payables are recognized initially at fair value and subsequently at (amortized) cost. Insofar as the difference between the discounted and nominal value is not material, trade and other payables are stated at cost.

3.19 REVENUE

Revenu of the operational segments Dredging & Earthmoving and Maritime Infrastructure mainly consists of the cost price of the work done during the reporting period, plus a part of the expected results upon completion of the project in proportion to the progress made during the reporting period, and including and/or deducting the provisions recognized and/ or used and released during the reporting period for expected losses. The applied "percentage-of-completion" method is, by its nature, based on an estimation process. Revenue also includes services rendered to third parties during the reporting period. The revenue from services relates in particular to hire or to make available equipment and/or personnel and this revenue is recognized in the income statement in proportion to the stage of completion of the work performed at the reporting date. The stage of completion is determined based on assessments of the work performed. Revenue from salvage work that is completed at the balance sheet date (part of the operational segment Salvage, Transport & Heavy Lift), but for which the proceeds are not finally determined between parties, is recognized at expected proceeds taking into account the estimation uncertainty. When it is uncertain whether the economic benefits of work done or services rendered will flow to the Group, the relevant revenue is not recognized.

Revenue does not include any direct taxes.

3.20 OTHER INCOME

Other income mainly consists of book profits from disposals and insurance results.

3.21 RAW MATERIALS, CONSUMABLES, SERVICES AND CONTRACTED WORK

Raw materials, consumables, services and contracted work consist of the cost price of the work done during the reporting period, excluding personnel expenses, amortization and depreciation. This item also includes among others equipment utilization costs, cost of operational leases, general overhead costs, external costs for research and development where not capitalized, currency translation differences, fair value changes of derivatives and other results/late results.

3.22 PERSONNEL EXPENSES

Personnel expenses consist of wages and salaries for own personnel and the related social security charges and pension costs, including paid and accrued contributions for defined pension contribution plans and the movement in the assets and liabilities from defined benefit plans, excluding actuarial gains and losses and the limitation on net pension plan assets added or charged directly to group equity.

3.23 LEASE PAYMENTS

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.
Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.24 FINANCE INCOME AND EXPENSES

Finance income comprises interest received and receivable from third parties, currency gains and gains on financial instruments to hedge risks of which the results are recognized through the finance income and expenses. Interest income is recognized in the income statement as it accrues, using the effective interest rate method.

Finance costs include interest paid and payable to third parties, which are allocated to reporting using the effective interest method, currency losses, arrangement fees, and losses on financial instruments used to hedge risks of which the results are recognized through the finance income and expenses. The interest component of financial lease payments is recognized in the income statement using the effective interest rate method.

Borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the income statement.

3.25 SHARE IN RESULT OF ASSOCIATED COMPANIES

Share in result of associated companies comprises the share in the results after taxation of the participating interests not included in the consolidation and, if applicable, (the reversal of) impairment losses recognized in the reporting period.

3.26 TAXATION / DEFERRED INCOME TAX ASSETS AND LIABILITIES

Taxation is calculated on the basis of the result before taxation for the reporting period, taking into account the applicable tax provisions and tax rates, and also includes adjustments on taxation from previous reporting periods and movements in deferred taxes recognized in the reporting period. Taxation is included in the income statement unless it relates to items directly recognized in equity, in which case taxation is included in equity. Temporary differences are accounted for in deferred tax assets and/or deferred tax liabilities. Deferred tax assets are only recognized to the extent that it is probable that taxable profit will be available for realization in the foreseeable future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets and liabilities are recognized at norminal value. Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

3.27 PROFIT PER SHARE

The Group discloses profit per ordinary share as well as diluted profit per ordinary share. The net profit per ordinary share is calculated based on the result attributable to the Group's shareholders divided by the calculated average of the number of issued ordinary shares during the reporting period. In calculating the dilluted profit per share the result attributable to the Group's shareholders and the calculated average number of issued ordinary shares are adjusted for all potentially diluting effects for ordinary shares.

3.28 DIVIDENDS

Dividends are recognized as a liability in the period in which they are declared.

3.29 DETERMATION OF FAIR VALUE

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Intangible assets

The fair value of other intangible assets recorded as a result of a business combination, is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Trade and other receivables
The fair value of trade and other receivables, exept due from customers, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions
The fair value is determined based on quoted prices.

Derivatives
The fair value of derivatives is based on the estimated amount to be paid or received for a settlement of the contract as at reporting date taking into account the actual interest rate en and the credit rating of the counterparty. These fair value is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3.30 CONSOLIDATED STATEMENT OF CASH FLOWS
The consolidated statement of cash flows is drawn up using the indirect method. Cash is defined as cash and cash equivalents including bank overdrafts as presented in the explanatory notes to the cash and cash equivalents and the interest-bearing borrowings. Cash flows are presented separately in the statement of cash flows as cash flows from operating activities, investing activities and financing activities.

4. SEGMENT REPORTING

The Group recognizes five operational segments which, as described below, constitute the strategic business units of the Group. These strategic business units offer different products and services and are managed separately because they require different strategies. Each of the strategic business units is reviewed by the Board of Management based on internal management reporting at least once every quarter. The following is a brief summary of the activities of the operational segments:

- Dredging & Earthmoving

The main operational segment is Dredging & Earthmoving, which also includes port development, pipeline intervention activities, land reclamation, and coastal and riverbank protection. This segment is active around the world and can be divided into home markets (inside and outside Europe), international project markets and specialist niche markets. MNO Vervat B.V. ("MNO Vervat") is acquired in December 2011 and is yet recorded in the operational segment Dredging & Earthmoving.

- Salvage, Transport & Heavy Lift

This operational segment provides transport services with an array of different seaworthy transport vessels, some of which are self-propelled. With its specialist technical know-how, Heavy Lift carries out specialist activities around the world using floating sheerlegs. Marine Project operations are included in this segment (including various types of transport, hoisting and installation activities carried out offshore) and Subsea (underwater activities with divers and remote control equipment). Finally, this segment also includes the salvage activities, consisting of providing wreck removal and emergency response services.

- Harbour Towage

The third operational segment in which the Group operates is Harbour Towage. The activities concern assisting incoming and departing seagoing vessels and other vessels, including large container ships, roll-on roll-off ships, tankers carrying oil or chemicals, other bulk carriers and cargo ships, as well as offshore oil and gas drilling platforms.

- Terminal Services

The fourth operational segment in which the Group operates is Terminal Services. Within this segment the company is one of the world's leading suppliers of maritime and terminal services to the oil and gas industry with both its own terminal services and through a 50% interest in Lamnalco. As from the sale of the SMIT terminal business to Lamnalco in the fourth quarter, this segment mainly comprises of the 50% interest in Lamnalco.

- Maritime Infrastructure

The fifth operational segment is Maritime Infrastructure. The Group is involved in this segment through its 40% interest in Archirodon, a leading contractor in this sector.

The operational segments are monitored based on the segment result before finance income and expenses and taxation. The segment result is used for performance measurement of operational segments, both between segments and compared to other companies in the same industries. Inter-operational segment services, if any, take place at arm's length basis. In the reporting period there were no material inter-operational segment services.

4.1 OPERATIONAL SEGMENTS

2011	DREDGING & EARTH-MOVING	SALVAGE, TRANSPORT & HEAVY LIFT	HARBOUR TOWAGE	TERMINAL SERVICES	MARITIME INFRA-STRUCTURE	HOLDING & ELIMINATIONS	GROUP
Revenue	**1,835,386**	**375,949**	**233,331**	**155,690**	**196,568**	**4,113**	**2,801,037**
Segment result	**266,930**	**43,187**	**29,360**	**24,977**	**30,364**	**- 40,725**	**354,093**
Operating result							**354,093**
Share in result of associated companies	**- 322**	**1,161**	**- 27**	**1,208**	**—**	**—**	**2,020**
Non-allocated finance income and expenses							**- 40,368**
Non-allocated taxation							**- 54,735**
Net group profit							**261,010**
Segment assets	**2,351,336**	**776,393**	**838,069**	**495,089**	**164,840**	**- 32,831**	**4,592,896**
Investments in associated companies	**9,354**	**954**	**9,123**	**3,541**	**—**	**456**	**23,428**
Non-allocated assets							**57,346**
Total assets							**4,673,670**
Segment liabilities	**1,564,915**	**200,940**	**111,856**	**89,114**	**56,656**	**- 179,372**	**1,844,109**
Non-allocated liabilities							**1,082,246**
Total liabilities							**2,926,355**
Investments in property, plant and equipment	**151,351**	**56,712**	**32,379**	**27,489**	**13,892**	**10,072**	**291,895**
Depreciation on property, plant and equipment	**96,317**	**41,303**	**40,751**	**27,705**	**11,963**	**1,079**	**219,118**
Amortisation on intangible assets	**—**	**1,225**	**4,564**	**2,123**	**—**	**2,927**	**10,839**
Impairment losses on property, plant and equipment	**- 759**	**7,190**	**—**	**—**	**—**	**—**	**6,431**
							236,388

2010	DREDGING & EARTH-MOVING	SALVAGE, TRANSPORT & HEAVY LIFT	HARBOUR TOWAGE	TERMINAL SERVICES	MARITIME INFRA-STRUCTURE	HOLDING & ELIMINATIONS	GROUP
Revenue	1,801,082	296,533	155,451	147,543	264,690	9,140	2,674,439
Segment result	320,468	42,986	23,177	22,340	28,851	- 35,952	401,870
Operating result							401,870
Share in result of associated companies	3,475	323	74	227	—	20,874	24,973
Non-allocated finance income and expenses							- 36,836
Non-allocated taxation							- 77,125
Net group profit							312,882
Segment assets	2,145,717	790,357	765,090	533,891	220,623	- 207,842	4,247,836
Investments in associated companies	8,002	1,851	8,121	2,187	—	456	20,617
Non-allocated assets							46,800
Total assets							4,315,253
Segment liabilities	972,255	207,923	359,246	65,881	114,774	- 125,313	1,594,766
Non-allocated liabilities							1,121,193
Total liabilities							2,715,959
Investments in property, plant and equipment	183,856	46,902	20,906	41,616	6,684	30,383	330,347
Depreciation on property, plant and equipment	103,371	31,964	27,608	22,861	18,006	915	204,725
Amortisation on intangible assets	—	1,138	2,296	2,238	—	478	6,150
Impairment losses on property, plant and equipment	8,729	—	—	—	—	—	8,729
							219,604

The non-allocated assets comprise deferred tax assets, income tax receivable and derivatives. The non-allocated liabilities comprise deferred tax liabilities, income tax payable, derivatives and interest-bearing borrowings.

5. CHANGES IN SUBSIDIARIES AND ACQUISITION OF NON-CONTROLLING INTEREST

5.1 BUSINESS COMBINATION REBRAS

On 3 March 2011 the Group obtained control of Rebras Rebocadores do Brasil S.A. ("Rebras") after acquiring the remaining 50% of the outstanding shares and voting rights. After this acquistion, the participation amounts to 100%. Rebras is a Brazilian maritime services provider in the operational segment Harbour Towage. The main customer groups are in the sectors of shipping companies, shipping agents and the oil and gas industry. Gaining control over Rebras allows the Group to offer the full service concept in Brazil and to support other group companies in carrying out assignments in Brazil. Also Rebras can be further integrated in the operational segment Harbour Towage. During 2011 Rebras contributed € 41.6 million to Group revenue and € 0.1 million negative to the net group profit after deduction of unrecognized currency exchange losses regarding US dollar denominated financing amounting to € 4.7 million.

Consideration transferred and transactions related to the acquisition

The consideration of the purchase of the 50% in Rebras amounts € 27 million (US dollar 38 million) in cash. There were no material expenses related to this transaction.

Identifiable assets acquired and liabilities assumed (as at acquisiton date)

(in € 1,000)	
Property, plant & equipment	99,746
Stocks	779
Trade and other receivables	5,704
Cash, cash equivalents and bank overdrafts	4,097
Loans and other financial obligations	- 59,091
Provisions	- 4,100
Deferred tax liabilities	- 5,986
Trade and other payables	- 4,343
Balance of identifiable assets and liabilities	**36,806**

At acquisition date trade and other receivables consisted of a gross amount of contractual obligations of € 5.9 million, of which an amount of € 0.2 million was deemed impaired.

Goodwill

(in € 1,000)	
Total consideration paid	26,967
Fair value of existing shareholding in Rebras	18,403
	45,370
Minus: balance of identifiable assets and liabilities	36,806
Goodwill	**8,564**

Goodwill recognized as a result of the acquisition is mainly related to the synergies which are expected to result from the integration of the company into the Group's existing activities. The goodwill recognized is for the majority expected to be tax deductible.

The revaluation of the existing participation of the Group in Rebras did not lead to material bookresults. The fair value adjustments of the existing investment are recorded as an adjustment (€ 3.6 million) on the provisional goodwill amount which was recognized with the acquisition of SMIT in 2010.

5.2 BUSINESS COMBINATION MNO VERVAT

On 14 December 2011 the Group obtained control of MNO Vervat after acquiring all outstanding shares and voting rights. MNO Vervat holds a leading position in the Dutch civil infrastructure market and is specialized in road construction, concrete and other civil construction work mainly in the Netherlands and in Suriname. The main clients comprise (semi) governmental organisations. Through the acquisition of MNO Vervat, Boskalis strengthens the civil infra competences and activities on national and international level.

During 2011 MNO Vervat contributed € 12.1 million to Group revenue and € 0.1 million to the net group profit (excluding costs related to the acquisition). If the acquisition had taken place at the start of 2011, revenue for the reporting period would have totaled € 3,090 million and consolidated net group profit would have been € 264.4 million. In determining these amounts the same fair value adjustments as at the date of the acquisition were assumed.

Consideration transferred and transactions related to the acquisition
The purchase of the 100% in MNO Vervat amounts € 77.9 million in cash. The Group incurred acquisition-related expenses of € 0.3 million in connection with the costs of external advisors, due diligence and other expenses which are recognized in the income statement in Raw materials, consumables, services and subcontracted work, and in the Operational segment Holding & Eliminations.

Identifiable assets acquired and liabilities assumed (as at acquisition date)

(in € 1,000)	
Intangible assets	1,172
Property, plant & equipment	32,707
Investments in associated companies	2,307
Deferred income tax assets	156
Stocks	2,416
Due from customers	25,177
Trade and other receivables	72,553
Cash, cash equivalents and bank overdrafts	- 2,483
Loans and other financial obligations	- 9,598
Provisions	- 835
Deferred tax liabilities	- 2,447
Trade and other payables	- 84,788
Balance of identifiable assets and liabilities	**36,337**

Due to the short time frame between acquisition date and reporting date the valuation of (all categories) of identifiable assets and liabilities was based on provisional accounting. The amounts will be calculated in more detail before the following reporting date. These and any other possible insights within twelve months after acquisition date could result in adjustments in the fair values and the resulting Goodwill. Trade and other receivables consisted of a gross amount of contractual obligations of € 74.0 million, of which an amount of € 1.4 million was deemed impaired at the date of acquisition.

Goodwill

(in € 1,000)	
Total consideration paid	77,852
Minus: balance of identifiable assets and liabilities	36,337
Goodwill	**41,515**

Goodwill recognized as a result of the acquisition is mainly related to the expertise and technical skills of MNO Vervat's employees and the synergies which are expected to result from the integration of the company into the Group's existing activities. The goodwill recognized is not expected to be tax deductible.

5.3 ACQUISITION OF THE NON-CONTROLLING INTEREST SMIT
In January 2011 the Group acquired the remaining 1.81% of all outstanding shares and voting rights in Smit Internationale N.V. after finalisation of the buy out procedure. This transaction involved an amount of € 20 million resulting. With this transaction an amount of € 20 million was involved which resulted in a decrease in the non-controlling interest for the same amount (at year-end 2010 this interest was measured at fair value).

5.4 SALE OF THE OWN TERMINAL ACTIVITIES TO LAMNALCO (50%)
Early October 2011 Lamnalco, a joint venture in which the Group participates for 50%, has acquired a significant part of the terminal business of SMIT for a consideration of US dollar 434 million. This transaction was partly financed by the Group, together with the joint venture partner, through a capital injection in Lamnalco of US dollar 114 million and the issuance of an interest-bearing loan to Lamnalco of US dollar

206 million (see note 17). The transaction is recorded in the consolidation as from October 2011 and as from that date the terminal business is proportionally consolidated through the Group's share in Lamnalco. The resulting decrease of assets and liabilities is presented in the relating notes as 'In / (out) consolidation'. The bookresult from this transaction amounted to € 1.4 million.

6. REVENUE

The revenue of the segments Dredging & Earthmoving and Maritime Infrastructure mainly comprises revenues from work in progress. Movements in the value of work in progress, consisting of cumulative incurred costs plus profit in proportion to progress less provisions for losses, together with the work done and completed during the reporting period, determine the revenue for these segments.
The revenue from services rendered to third parties is mainly realized in the remaining operational segments.

If certain projects are executed together in a joint venture, the segments only report their own share in the revenue and results recognized, resulting in no material related party transactions that need to be eliminated.

Revenue by region can be specified as follows:

	REVENUE	
	2011	2010
Netherlands	**633,181**	517,238
Rest of Europe	**494,231**	585,283
Australia / Asia	**689,503**	625,566
Middle East	**318,026**	371,005
Africa	**295,696**	227,534
North and South America	**370,400**	347,813
	2,801,037	2,674,439

A large part of the Group's revenue is executed project based for a various group of clients in various countries and geographical areas. Because of the often incidental character and spread of the contracts none of these clients qualifies structurally as a material client in relation to the total revenue of the Group.

Revenue includes the movements in work in progress of € 960.2 million (2010: € 145.3 million).

7. OTHER INCOME

Other income mainly comprises the settlement of claims (€ 4.5 million; 2010: € 4.2 million), book results on the disposal of equipment (€ 4.5 million; 2010: € 4,7 million) and on the sale of the Smit terminal activities. In 2010 insurance results amounting to € 29.4 million were included.

8. RAW MATERIALS, CONSUMABLES, SERVICES AND CONTRACTED WORK

During 2011 € 5.2 million was recognized as an expense in the consolidated income statement of operating leases (2010: € 6.7 million) through limited partnerships (Dutch: 'CV-contructions'). The Group has an option to purchase these vessels eight years after the commencement of the lease period at a fixed price. In respect of other operational lease agreements € 38.2 million was recognized in the consolidated income statement (2010: € 45.3 million).

9. PERSONNEL EXPENSES

	2011	2010
Wages and salaries	**- 469,641**	- 430,921
Social security costs	**- 44,716**	- 38,132
Pension costs for defined benefit pension schemes	**- 17,427**	- 11,456
Pension costs for defined contribution pension schemes	**- 17,877**	- 15,943
	- 549,661	- 496,452

For the remuneration of the Board of Management and the Supervisory Board reference is made to note 30.2.

10. FINANCE INCOME AND EXPENSES

	2011	2010
Interest income on short-term bank deposits	**8,324**	5,005
Change in fair value of (hedging instruments regarding) borrowings	**14,663**	18,233
Finance income	**22,987**	23,238
Interest expenses	**- 39,528**	- 28,833
Change in fair value of (hedging instruments regarding) borrowings	**- 17,672**	- 18,233
Other finance expenses	**- 6,155**	- 13,008
Finance expenses	**- 63,355**	- 60,074
Net finance expense recognized in consolidated income statement	**- 40,368**	- 36,836

Other finance expenses includes € 3.0 million settlement costs of derivatives, which, due to the sale of the terminal activities, were no longer effective. In 2010 the settlement of a forward start interest rate swap (€ 9.6 million) is included. The remainder of the other finance expenses mainly relates to commitment fees.

11. TAXATION

	2011	2010
Current tax expense		
Current year	**- 77,686**	- 82,470
Over / under(-) provided in prior years	**9,706**	12,197
Reclassification of deferred taxes regarding prior financial years	**3,196**	- 13,718
	- 64,784	- 83,991
Deferred tax expense		
Origination and reversal of temporary differences	**10,532**	- 5,124
Effect of changes in tax rates on deferred taxes	**- 380**	- 38
Reclassification of deferred taxes regarding prior financial years	**- 3,196**	13,718
Movement of recognized tax losses carried forward	**3,093**	- 1,690
	10,049	6,866
Taxation in the consolidated income statement	**- 54,735**	- 77,125

The operational activities of the Group are subject to various tax regimes with tax rates varying from 0% to 42% (2010: 0% to 42%). These different tax rates, together with fiscal facilities in various countries and the treatment of tax losses, results not subject to taxation and non-deductible costs, lead to an effective tax rate in the reporting period of 17.3% (2010: 19.8%). The effective tax rate is calculated as the tax charge divided by the profit before tax, as shown in the consolidated income statement. The reconciliation between the Dutch nominal tax rate and the effective tax rate is as follows:

	2011	2010
Nominal tax rate in the Netherlands	**25.0%**	25.5%
Application of local nominal tax rates	**- 9.3%**	- 4.7%
Non-deductible expenses	**1.0%**	3.0%
Effect of previously non-balancing and unrecognized tax losses	**4.6%**	0.7%
Effect of previously non-recognized tax losses	**-0.3%**	-0.3%
Special taxation regimes	**-0.5%**	-0.2%
Adjustment in respect of prior years	**- 3.1%**	- 3.1%
Effect of share in result of associated companies	**-0.1%**	- 1.1%
Effective tax rate	**17.3%**	19.8%

12. INCOME TAX RECEIVABLE AND PAYABLE

The current income tax receivables and income tax payables relate to the fiscal positions of the respective Group companies and consist of fiscal years still to be settled less withholding taxes or tax refunds.

13. DEFERRED INCOME TAX ASSETS AND LIABILITIES

	BALANCE AS AT JANUARY 1, 2011		MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR					BALANCE AS AT DECEMBER 31, 2011	
	Asset	Liability	Charged (-)/ added to net profit	Charged to equity	Business combination	In / out consolidation	Currency translation differences	Asset	Liability
Intangible assets	—	- 26,890	2,886	—	—	70	- 20	—	- 23,954
Property, plant and equipment	7,508	- 65,224	672	—	- 5,941	1,827	5,112	4,628	- 60,674
Due from and due to customers	—	- 7,751	1,036	—	—	—	- 158	—	- 6,873
Trade and other receivables	239	- 153	76	—	- 626	—	- 3	172	- 639
Hedging reserve	645	- 887	- 6	- 921	—	—	- 4	701	- 1,874
Actuarial gains and losses and asset limitation on defined benefit pension schemes	10,287	—	—	9,882	—	—	—	20,169	—
Employee benefits	950	- 6,704	2,201	- 345	—	—	- 111	1,718	- 5,727
Provisions	7,648	- 644	- 1,416	—	1,349	—	34	7,409	- 438
Interest-bearing borrowings	550	- 1,840	65	—	1,081	—	199	55	—
Trade and other payables	2,237	- 130	- 683	—	—	—	31	1,593	- 138
Other assets and liabilities	476	- 2,007	848	2,231	- 1,147	- 774	- 691	973	- 2,037
Fiscal reserves	—	- 1,194	212	—	—	708	—	—	- 274
Foreign branch results	—	- 4,202	1,065	—	—	—	—	—	- 3,137
Tax losses carried forward	1,659	- 2	3,093	—	—	—	- 1,073	3,677	—
	32,199	- 117,628	10,049	10,847	- 5,284	1,831	3,316	41,095	- 105,765
Offsetting deferred tax assets and liabilities	- 13,493	13,493						- 12,282	12,282
Net in the consolidated balance sheet	18,706	- 104,135						28,813	- 93,483

	BALANCE AS AT JANUARY 1, 2010		MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR					BALANCE AS AT DECEMBER 31, 2010	
	Asset	Liability	Charged (-)/ added to net profit	Charged to equity	Business combination	In / out consolidation	Currency translation differences	Asset	Liability
Intangible assets	—	—	980	—	- 27,082	—	- 788	—	- 26,890
Property, plant and equipment	1,832	- 13,073	9,869	—	- 57,053	—	709	7,508	- 65,224
Due from and due to customers	—	- 6,298	- 146	—	- 815	—	- 492	—	- 7,751
Trade and other receivables	67	—	- 197	—	211	—	5	239	- 153
Hedging reserve	—	- 2,282	- 2,708	938	3,808	—	2	645	- 887
Actuarial gains and losses and asset limitation on defined benefit pension schemes	5,234	—	- 305	5,358	—	—	—	10,287	—
Employee benefits	982	- 5,230	- 2,564	- 235	1,448	—	- 155	950	- 6,704
Provisions	1,929	- 568	310	—	5,164	—	169	7,648	- 644
Interest-bearing borrowings	—	—	23	—	- 1,212	—	- 101	550	- 1,840
Trade and other payables	914	- 4,775	5,761	—	—	—	207	2,237	- 130
Other assets and liabilities	3,446	- 878	- 3,983	563	2,852	—	- 3,531	476	- 2,007
Fiscal reserves	—	—	- 407	—	- 787	—	—	—	- 1,194
Foreign branch results	—	- 6,125	1,923	—	—	—	—	—	- 4,202
Tax losses carried forward	2,306	—	- 1,690	—	519	—	522	1,659	- 2
	16,710	- 39,229	6,866	6,624	- 72,947	—	- 3,453	32,199	- 117,628
Offsetting deferred tax assets and liabilities	- 9,997	- 9,997						- 13,493	13,493
Net in the consolidated balance sheet	6,713	- 29,232						18,706	- 104,135

Deferred tax assets are not recognized as long as it is not probable that economic benefits can be expected in future periods. Deferred tax assets and liabilities within fiscal entities are offset in the balance sheet.

The following movements in deferred tax assets and liabilities, including applicable tax rate changes, together with the items they relate to, are recognized directly in group equity:

	2011		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Foreign currency translation differences for foreign operations	**- 823**	**2,231**	**1,408**
Fair value of cash flow hedges	**6,074**	**- 921**	**5,153**
Defined benefit plan actuarial gains (losses) and asset limitation	**- 58,789**	**9,537**	**- 49,252**
	- 53,538	**10,847**	**- 42,691**

	2010		
	Before tax	**Tax (expense) benefit**	**Net of tax**
Foreign currency translation differences for foreign operations	37,864	563	38,427
Fair value of cash flow hedges	- 11,554	938	- 10,616
Defined benefit plan actuarial gains (losses) and asset limitation	- 28,593	5,123	- 23,470
	- 2,283	6,624	4,341

UNRECOGNIZED DEFERRED INCOME TAX ASSETS

Unrecognized deferred tax assets regarding tax losses carried forward of Group companies amount to € 86.5 million (2010: € 58.8 million), of which € 0.0 million (2010: € 1.4 million) expires within one year, € 12.4 million (2010: € 17.3 million) in between one and five years, and € 74.1 million (2010: € 40.1 million) after more than five years. These deferred tax assets are not recognized in the balance sheet as long as recovery through taxable profit or deductible temporary differences before expiration is not probable.

14. INTANGIBLE ASSETS

	GOODWILL	OTHER	TOTAL
Balance as at January 1, 2011			
Cost	**461,978**	**137,849**	**599,827**
Accumulated amortisations	**—**	**- 6,150**	**- 6,150**
Book value	**461,978**	**131,699**	**593,677**
Movements			
Acquired through business combinations	**50,079**	**1,172**	**51,251**
In / (out) consolidation	**- 35,697**	**- 8,936**	**- 44,633**
Amortisation	**—**	**- 10,839**	**- 10,839**
Currency translation differences and other movements	**4,866**	**1,274**	**6,140**
	19,248	**- 17,329**	**1,919**
Balance as at December 31, 2011			
Cost	**481,226**	**131,359**	**612,585**
Accumulated amortisations	**—**	**- 16,989**	**- 16,989**
Book value	**481,226**	**114,370**	**595,596**

	GOODWILL	OTHER	TOTAL
Balance as at January 1, 2010			
Cost	13,595	—	13,595
Accumulated amortisations	—	—	—
Book value	13,595	—	13,595
Movements			
Acquired through business combinations	448,383	128,091	576,474
Amortisation	—	- 6,150	- 6,150
Currency translation differences and other movements	—	9,758	9,758
	448,383	131,699	580,082
Balance as at December 31, 2010			
Cost	461,978	137,849	599,827
Accumulated amortisations	—	- 6,150	- 6,150
Book value	461,978	131,699	593,677

14.1 GOODWILL

The goodwill recognized in 2011 relates to the business combinations with Rebras and MNO Vervat (see note 5); in 2010 this concerns the business combination with SMIT. The movement with respect of the sale of the SMIT terminals activities to Lamnalco is presented in in/ (out) consolidation in 2011.

The goodwill, in accordance with 2010, per cash generating unit for the annual impairment test amounts to:

	2011	2010
SMIT Harbour Towage	**198,266**	186,435
SMIT Salvage, Transport & Heavy Lift	**156,096**	178,965
SMIT Terminals	**—**	82,983
Lamnalco	**71,754**	—
MNO Vervat	**41,515**	—
Homemarket 'Mexico'	**13,595**	13,595
Total	**481,226**	461,978

In the impairment testing of goodwill the value in use of the cash generating unit is determined by discounting expected future cash flows from continuing operations of the unit. Management has projected cash flows based on past trends and estimates of market developments. The calculation includes cash flow projections for a period of five years, after which the cash flows are extrapolated using an assumed growth rate for the revenue of 2% (2010: 2%) per year and an unchanged operating profit. This growth rate does not exceed the long-term average growth rate which may be expected for the activities of the cash generating unit. The average discount rate used reflects the risks specific to the cash generating units and is 8.3% (2010: 8.2%) for SMIT Harbour Towage and 10.4% (2010: 10.3%) for SMIT Salvage, Transport & Heavy Lift.

The assessment has indicated that no impairment is required while the recoverable amount is higher than the recognized goodwill and the carrying amount of the assets and liabilities attributable to the cash generating unit. Changes that could be reasonably expected in the principles of calculating the recoverable amount at year-end such as an increase in the discount rate by 1% or a decrease in growth rate by 1% does not give rise to an impairment.

The book values of the remaining (proportionally consolidated) cash generating units to which Goodwill has been allocated, are assessed for their value in use based on expected future cash flows.
The discount rates used in this calculations vary from 8.3% to 11.2%. This assessment indicated that no impairment is required.

14.2 OTHER INTANGIBLE ASSETS
Other intangible assets mainly comprise intangible assets which were recognized as a result of acquisitions. This item primarily relates to customer portfolios and trademarks resulting from the business combination of SMIT in 2010.

15. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS	FLOATING AND OTHER CONSTRUCTION EQUIPMENT	OTHER FIXED ASSETS	PROPERTY, PLANT & EQUIPMENT UNDER CONSTRUCTION	TOTAL
Balance as at January 1, 2011					
Cost	**71,611**	**3,205,416**	**57,504**	**147,252**	**3,481,783**
Accumulated depreciation and impairment losses	**- 22,798**	**- 1,236,089**	**- 32,689**	**- 11,582**	**- 1,303,158**
Book value	**48,813**	**1,969,327**	**24,815**	**135,670**	**2,178,625**
Movements					
Investments, including capitalized finance costs	**417**	**93,412**	**6,320**	**191,746**	**291,895**
Acquired through business combinations	**6,502**	**74,225**	**1,755**	**98**	**82,580**
In / (out) consolidation	**- 95**	**- 101,282**	**- 490**	**- 391**	**- 102,258**
Put into operation	**552**	**89,261**	**155**	**- 89,968**	**—**
Impairment losses	**—**	**- 10,475**	**—**	**4,044**	**- 6,431**
Depreciation	**- 2,488**	**- 210,724**	**- 5,906**	**—**	**- 219,118**
Disposals and other movements	**- 1,155**	**- 3,090**	**- 8,166**	**- 3,668**	**- 16,079**
Currency translation differences	**- 539**	**- 4,472**	**- 66**	**1,901**	**- 3,176**
	3,194	**- 73,145**	**- 6,398**	**103,762**	**27,413**
Balance as at December 31, 2011					
Cost	**76,289**	**3,156,649**	**41,525**	**246,970**	**3,521,433**
Accumulated depreciation and impairment losses	**- 24,282**	**- 1,260,467**	**- 23,108**	**- 7,538**	**- 1,315,395**
Book value	**52,007**	**1,896,182**	**18,417**	**239,432**	**2,206,038**

	LAND AND BUILDINGS	FLOATING AND OTHER CONSTRUCTION EQUIPMENT	OTHER FIXED ASSETS	PROPERTY, PLANT & EQUIPMENT UNDER CONSTRUCTION	TOTAL
Balance as at January 1, 2010					
Cost	66,512	1,815,358	34,926	257,945	2,174,741
Accumulated depreciation and impairment losses	- 22,974	- 1,053,867	- 26,552	- 11,560	- 1,114,953
Book value	43,538	761,491	8,374	246,385	1,059,788
Movements					
Investments, including capitalized finance costs	7,918	92,743	4,472	225,214	330,347
Acquired through business combinations	3,015	823,596	25,407	130,398	982,416
Put into operation	279	482,210	- 7,456	- 475,033	—
Impairment losses	—	- 8,393	- 336	—	- 8,729
Depreciation	- 3,477	- 194,952	- 6,296	—	- 204,725
Disposals and other movements	- 2,656	- 27,462	242	1,032	- 28,844
Currency translation differences	196	40,094	408	7,674	48,372
	5,275	1,207,836	16,441	- 110,715	1,118,837
Balance as at December 31, 2010					
Cost	71,611	3,205,416	57,504	147,252	3,481,783
Accumulated depreciation and impairment losses	- 22,798	- 1,236,089	- 32,689	- 11,582	- 1,303,158
Book value	48,813	1,969,327	24,815	135,670	2,178,625

Annually the Group reviews the main units of the fleet on (expected) utilization and operational results. In 2011 this resulted in the testing of a limited number of specific units on possible impairments and the recognition of an impairment charge amounting to € 6.4 million (2010: € 8.7 million) has been recognized. This concerns impairments to value in use for 9.3 million, impairments to net selling price for 2.0 million and a reversal of impairments to net selling price for 4.9 million. The net selling price is determined net of sale and demolition expenses.

Also at year-end 2011 the expected useful life of the (components of) units is evaluated and adjusted prospectively for a part of the units. The net effect of these adjustment on net group profit for both the reporting period and future years is not material.

The Group leases various assets through financial lease agreements. The book value of the leased equipment was € 10.6 million at the end of 2011 (2010: € 5.5 million).

The securities provided for financing granted by means of mortgage rights on property, plant and equipment are disclosed in note 23.

In accordance with the characteristics of the Group's activities property, plant & equipment can be deployed on a worldwide scale during the reporting period. As a consequence, segmentation of the property, plant & equipment to geographical areas would not provide additional relevant information.

16. ASSOCIATED COMPANIES

	2011		2010	
Balance as at January 1		**20,617**		298,674
Acquired through business combinations		**2,307**		17,843
Dividends received		**- 729**		- 17,611
Investment in Smit Internationale N.V.		**–**		56,061
Other net investments		**- 1,772**		- 5,678
Share in result	**2,020**		7,657	
Revaluation existing participation prior to business combination	**–**		17,316	
		2,020		24,973
Reduction due to expansion of participation resulting in acquiring control over the associated company		**–**		- 349,571
Currency translation and other differences		**985**		- 4,074
Balance as at December 31		**23,428**		20,617

At the start of 2010 the Group had a interest of 26.76% in Smit Internationale N.V. and on April 1, 2010 the Group gained control. The movements in 2010 mainly relate to this business combination.

The key associated companies of the Group are:

		Ownership interest	
COMPANY	**COUNTRY OF INCORPORATION**	**2011**	**2010**
IRSHAD	Abu Dhabi, United Arab Emirates	**20%**	20%
RW Aggregates Ltd	United Kingdom	**50%**	50%
Dafeng Smit Towage Company Ltd	China	**40%**	40%
Taizhou Smit Towage Services Co Ltd	China	**40%**	40%
Damietta for Maritime Services Company S.A.E.	Egypt	**31%**	31%
Fleetcare Services Pte Ltd	Singapore	**45%**	45%

The voting rights in associated companies are equal to the ownership interests. The share of the Group in assets, liabilities, revenue and result of the aforementioned associated companies is stated below:

	2011	2010
Assets	**23,696**	26,932
Liabilities	**- 14,828**	- 18,153
Equity	**8,868**	8,779
Revenues	**11,777**	53,963
Share in result	**2,020**	7,657

17. OTHER NON-CURRENT RECEIVABLES

	2011	2010
Balance as at January 1	**40,373**	6,019
Acquired through business combinations	**–**	10,990
In / (out) consolidation	**77,651**	–
Other movements	**- 5,537**	23,022
Currency translation differences	**- 423**	342
Balance as at December 31	**112,064**	40,373

The other non-current receivables comprise loans to strategic joint ventures, associated companies, long-term advance payments to suppliers and long-term receivables and retentions from customers, which are due in agreed time schedules. This item also includes accrued receivables which are allocated to the result over periods longer than one year.

In / (out) consolidation concerns a subordinated loan that is provided to the strategic joint venture Lamnalco, after elimination of the Group's proportional share, and that is to be expected to be repaid within 18 months after issuance. The interest amounts to 6%.

18. INVENTORIES

	2011	2010
Fuel and materials	**37,108**	29,686
Spare parts	**56,575**	54,585
Other inventories	**4,034**	2,635
	97,717	86,906

19. DUE FROM AND DUE TO CUSTOMERS

	2011	2010
Cumulative incurred costs plus profit in proportion to progress less provisions for losses	**4,741,275**	3,781,111
Progress billings	**4,843,683**	3,984,425
Advances received	**152,120**	78,780
Progress billings and advances received	**4,995,803**	4,063,205
Balance	**- 254,528**	- 282,094
Due from customers	**234,353**	197,170
Due to customers	**- 488,881**	- 479,264
Balance	**- 254,528**	- 282,094

As at year-end 2011 the payments due from customers includes an amount of € 26.3 million (2010: € 11.6 million) which will be paid subject to specified conditions (retentions) from third parties. The determination of the profit in proportion to the stage of completion and the provision for losses is based on estimated costs and revenues of the relating projects. These estimates contain uncertainties.

20. TRADE AND OTHER RECEIVABLES

	2011	2010
Trade receivables	**518,164**	550,080
Amounts due from associated companies	**22,973**	9,672
Other receivables and prepayments	**408,034**	233,587
	949,171	793,339

21. CASH AND CASH EQUIVALENTS

	2011	2010
Bank balances and cash	**243,474**	200,018
Short-term bank deposits	**154,483**	157,726
Cash and cash equivalents	**397,957**	357,744
Bank overdrafts	**- 15,364**	- 1,475
Net cash and cash equivalents in the consolidated statement of cash flows	**382,593**	356,269

Cash and cash equivalents include € 65.9 million (2010: € 59.2 million) held by project-driven construction consortiums and € 85.8 million (2010: € 93.8 million) mainly held by strategic alliances, which are subject to joint control. The remaining funds were freely disposable.

22. GROUP EQUITY

22.1 ISSUED CAPITAL AND SHARE PREMIUM

The authorized share capital of € 240 million is divided into 150,000,000 ordinary shares with a par value of € 0.80 each and 50,000,000 cumulative protective preference shares with a par value of € 2.40 each.

(in number of shares)	2011	2010
On issue and fully paid at January 1	**100,974,263**	98,651,289
Stock dividend	**2,497,479**	2,322,974
On issue and fully paid at December 31	**103,471,742**	100,974,263

The issued capital as at December 31, 2011 consists of 103,471,742 ordinary shares with a par value of € 0.80 each and consequently amounts to € 82.8 million (2010: € 80.8 million).
Issued capital increased by 2,497,479 ordinary shares in the course of 2011 as a result of the distribution of stock dividend. Of the issued capital as at December 31, 2011, 120 ordinary shares were owned by the Group.

The as yet unexercised option right to take cumulative protective preference shares in Royal Boskalis Westminster N.V. has been assigned to the Stichting Continuiteit KBW.

Share premium comprises additional paid-in capital exceeding the par value of outstanding shares. Share premium is distributable free of tax.

22.2 RETAINED EARNINGS

Retained earnings consist of additions and distributions based on profit appropriations, effects of changes in accounting principles and losses and movements in the legal reserve. The balance is at the disposal of the shareholders. Retained earnings also comprises the yet unappropriated current year profit. A proposal for profit appropriation is included in note 29 relating to subsequent events.

22.3 DIVIDENDS

Royal Boskalis Westminster N.V. announced and distributed the following dividends to holders of ordinary shares:

	2011	2010
Dividends previous year € 1.24 respectively € 1.19 per ordinary share	**125,208**	117,395
Total announced and distributed dividend	**125,208**	117,395
Stock dividend	**80,522**	73,258
Cash dividend	**44,686**	44,137
Total distributed dividend	**125,208**	117,395

22.4 EARNINGS PER SHARE

Earnings per share over 2011 amount to € 2.48 (2010: € 3.11). Because there are no dilution effects, the diluted earnings per share also amount to € 2.48 (2010: € 3.11). The calculation of earnings per share is based on the profit attributable to shareholders of € 254.3 million (2010: € 310.5 million) and the weighted average number of ordinary shares for the year 2011, 102,390,642 (2010: 99,962,337). This number is calculated as follows:

(in number of shares)	**2011**	2010
Issued ordinary shares as at January 1	**100,974,263**	98,651,289
Weighted effect of ordinary shares issued due to optional dividend	**1,416,379**	1,311,048
Weighted average number of ordinary shares during the fiscal year	**102,390,642**	99,962,337

22.5 OTHER RESERVES

Movement in other reserves:

	Legal reserves					
(in € 1,000)	**OTHER LEGAL RESERVE**	**HEDGING RESERVE**	**REVALUATION RESERVE**	**CURRENCY TRANSLATION RESERVE**	**ACTUARIAL RESERVE**	**TOTAL OTHER RESERVES**
Note	[22.5.1]	[22.5.2]	[22.5.3]	[22.5.4]	[22.5.5]	
Balance as at January 1, 2011	**203,524**	**- 2,354**	**3,834**	**- 633**	**- 53,568**	**150,803**
Foreign currency translation differences for foreign operations	**–**	**–**	**–**	**2,373**	**–**	**2,373**
Cash flow hedges, after taxation	**–**	**5,153**	**–**	**–**	**–**	**5,153**
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation	**–**	**–**	**–**	**–**	**- 49,252**	**- 49,252**
Revaluation existing participation prior to business combination with SMIT	**–**	**–**	**17,316**	**–**	**–**	**17,316**
Movement legal reserve	**103,782**	**–**	**–**	**–**	**–**	**103,782**
Total movement	**103,782**	**5,153**	**17,316**	**2,373**	**- 49,252**	**79,372**
Balance as at December 31, 2011	**307,306**	**2,799**	**21,150**	**1,740**	**- 102,820**	**230,175**

(in € 1,000)	Legal reserves OTHER LEGAL RESERVE	HEDGING RESERVE	REVALUATION RESERVE	CURRENCY TRANSLATION RESERVE	ACTUARIAL RESERVE	TOTAL OTHER RESERVES
Note	[22.5.1]	[22.5.2]	[22.5.3]	[22.5.4]	[22.5.5]	
Balance as at January 1, 2010	132,725	8,262	3,834	- 37,542	- 30,098	77,181
Foreign currency translation differences for foreign operations	–	–	–	36,909	–	36,909
Cash flow hedges, after taxation	–	- 10,616	–	–	–	- 10,616
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation	–	–	–	–	- 23,470	- 23,470
Movement legal reserve	70,799	–	–	–	–	70,799
Total movement	70,799	- 10,616	–	36,909	- 23,470	73,622
Balance as at December 31, 2010	203,524	- 2,354	3,834	- 633	- 53,568	150,803

22.5.1 OTHER LEGAL RESERVE (LEGAL RESERVE)

With regard to the difference between the cost price and equity value of entities, consolidated either proportionally as well as associated companies recognized in accordance with the equity method, a legally required reserve is recognized because of a lack of control over the distribution of profits only to the extent that these differences are not included in the accumulated currency translation differences on foreign operations.

22.5.2 HEDGING RESERVE (LEGAL RESERVE)

The hedging reserve comprises the fair value of effective cash flow hedges, not yet realized at balance sheet date, net of taxation, including results realized on the "rolling forward" of existing hedges as a result of differences between the duration of the hedges concerned and the underlying cash flows. Details about the movements in the hedging reserve are disclosed in note 27.2.

22.5.3 REVALUATION RESERVE (LEGAL RESERVE)

This reserve at year-end 2010 relates the revaluations of the existing interests following the business combination Dragamex SA de CV and Codramex SA de CV in 2008. This part of the reserve is realized through depreciation, impairments if any and sale of the asset. In 2011 the interpretation of the Dutch accounting rules changed which resulted in the accounting for a revaluation reserve for the profit with respect to the revaluation of the existing non-controlling interest prior to the business combination with Smit Internationale N.V. effective as from April 1, 2010.

22.5.4 CURRENCY TRANSLATION RESERVE (LEGAL RESERVE)

The currency translation reserve comprises all accumulated currency translation differences arising from the translation of investments in foreign operations, which are denominated in reporting currencies other than those used by the Group, including the related intragroup financing. These currency translation differences are accumulated as from the IFRS transition date (January 1, 2004) and are taken into the income statement at disposal or termination of these foreign operations.

22.5.5 ACTUARIAL RESERVE

The actuarial reserve relates to the limitation on net plan assets of defined benefit pension schemes and the actuarial gains and losses, which originated from the difference between the realized and the expected movement in defined benefit obligations and the return on plan assets.

23. INTEREST-BEARING BORROWINGS

	2011	2010
Non-current liabilities		
Mortgage loans	**146,417**	181,451
Other interest-bearing loans	**533,279**	523,552
	679,696	705,003
Current liabilities		
Mortgage loans (current portion)	**52,060**	35,173
Other interest-bearing loans (current portion)	**60,512**	67,593
	112,572	102,766
Total interest-bearing borrowings	**792,268**	807,769

In March 2010 the Group arranged a combination of a three-year and five-year bank facility (€ 350 million and € 300 million) with a consortium of banks.

In July 2010 the Group closed an inaugural US dollar 433 million and GBP 11 million US private placement with 26 institutional investors in the United States and the United Kingdom. The placement consists of three tranches with maturities of 7, 10 and 12 years, respectively. The US dollar and GBP proceeds have been swapped into euros, for a total amount of € 354 million.

As security for the mortgage loans, expressed partly in other currencies than the Euro, mortgage rights are vested on property, plant and equipment, mainly vessels, with a book value of € 326.0 million (2010: € 333.6 million). For certain loans, additional securities have been provided by means of the assignment of revenues from rental contracts to third parties and insurance policies regarding this property, plant and equipment.

Where applicable, financial ratio and negative pledge clause requirements are met as at December 31, 2011.

Effective interest rates, remaining terms and currencies of the interest-bearing borrowings are disclosed in the explanatory notes to the financial instruments in the interest rate risk paragraph. As at December 31, 2011, the average interest rate for the non-current portion of mortgage loans and other interest-bearing loans was 5.33% (2010: 5.04% and 3.91% (2010: 3.65%) respectively. The non-current portions of mortgage loans and other interest-bearing loans due over more than five years amount to € 59.1 million (2010: € 53.8 million) and € 348.4 million (2010: € 348.7 million) respectively.

24. EMPLOYEE BENEFITS

The liabilities associated with employee benefits consist of defined benefit pension schemes and other liabilities relating to a number of defined contribution schemes in foreign countries and jubilee benefits. They amount to a total of:

	Note	2011	2010
Defined benefit pension schemes	[24.1]	**76,386**	26,861
Other liabilities on account of employee benefits		**7,478**	9,035
Employee benefits		**83,864**	35,896

24.1 DEFINED BENEFIT PENSION SCHEMES

	DEFINED BENEFIT OBLIGATION	FAIR VALUE PLAN ASSETS	SURPLUS/ DEFICIT (-)	UNFUNDED PENSION LIABILITIES	TOTAL	CHARGED TO CONSOLIDATED INCOME STATEMENT	RECOGNIZED DIRECTLY IN EQUITY
Balance as at January 1, 2011	**586,570**	**580,157**	**- 6,413**	**- 9,157**	**- 15,570**		
Current service cost	**14,687**	**–**	**- 14,687**	**- 461**	**- 15,148**	**- 15,148**	**–**
Interest cost on obligation	**28,774**	**–**	**- 28,774**	**- 401**	**- 29,175**	**- 29,175**	**–**
Contributions received	**–**	**25,468**	**25,468**	**–**	**25,468**	**–**	**–**
Expected return on plan assets	**–**	**26,896**	**26,896**	**–**	**26,896**	**26,896**	**–**
Net actuarial gains / losses	**65,949**	**4,858**	**-61,091**	**-214**	**-61,305**	**–**	**61,305**
Benefits paid	**- 28,304**	**- 28,304**	**–**	**1,257**	**1,257**	**–**	**–**
Acquired through business combination	**18,500**	**18,500**	**–**	**–**	**–**	**–**	**–**
Foreign currency exchange rate changes	**1,484**	**1,608**	**124**	**-158**	**-34**	**–**	**–**
Total movement	**101,090**	**49,026**	**- 52,064**	**23**	**- 52,041**	**- 17,427**	**61,305**
Balance as at December 31, 2011	**687,660**	**629,183**	**- 58,477**	**- 9,134**	**- 67,611**	**- 17,427**	**61,305**
Limitation on net plan assets as at January 1					**- 11,291**		
Movement in limit on net plan assets					**2,516**	**–**	**- 2,516**
Limitation on net plan assets as at December 31					**- 8,775**		
Balance as at December 31, 2011 after limitation on net plan assets					**- 76,386**		
Total result defined benefit pension schemes					**76,216**	**17,427**	**58,789**

	DEFINED BENEFIT OBLIGATION	FAIR VALUE PLAN ASSETS	SURPLUS/ DEFICIT (-)	UNFUNDED PENSION LIABILITIES	TOTAL	CHARGED TO CONSOLIDATED INCOME STATEMENT	RECOGNIZED DIRECTLY IN EQUITY
Balance as at January 1, 2010	327,872	327,935	63	- 8,288	- 8,225		
Current service cost	10,318	–	- 10,318	- 790	- 11,108	11,108	–
Interest cost on obligation	24,289	–	- 24,289	- 431	- 24,720	24,720	–
Contributions received	–	22,576	22,576	–	22,576	–	–
Expected return on plan assets	–	24,372	24,372	–	24,372	- 24,372	–
Net actuarial gains / losses	35,936	18,770	- 17,166	- 289	- 17,455	–	17,455
Benefits paid	- 25,170	- 25,170	–	969	969	–	–
Other movements	1,084	–	- 1,084	–	- 1,084	–	–
Acquired through business combination	209,740	209,155	- 585	- 44	- 629	–	–
Foreign currency exchange rate changes	2,501	2,519	18	- 284	- 266	–	–
Total movement	258,698	252,222	- 6,476	- 869	- 7,345	11,456	17,455
Balance as at December 31, 2010	586,570	580,157	- 6,413	- 9,157	- 15,570	11,456	17,455
Limitation on net plan assets as at January 1					- 153		
Movement in limit on net plan assets					- 11,138	–	11,138
Limitation on net plan assets as at December 31					- 11,291		
Balance as at December 31, 2010 after limitation on net plan assets					- 26,861		
Total result defined benefit pension schemes					40,049	11,456	28,593

Some of the Dutch staff participate in six multi-employer pension funds. These pension funds qualify under IFRS as defined benefit pension schemes. However, these funds have indicated they are not able to provide sufficient information for a calculation in accordance with IFRS because there is no reliable and consistent basis to attribute the pension obligations, plan assets, income and expenses to the individual member companies of these pension funds. Therefore these pension schemes are treated as defined contribution schemes.

The defined benefit pension schemes that are funded are the company pension funds in the Netherlands, Belgium, the United Kingkom, United States of America, Canada and South Africa. The defined benefit pension schemes that are unfunded are small pension schemes for two German Group companies and Archirodon. The remaining pension schemes in the Group do not qualify as defined benefit pension schemes.

Plan assets consist of the following:

	2011	2010
Equities	**134,474**	140,104
Bonds	**462,421**	419,317
Real estate	**2,136**	21,237
Cash (non-interest-bearing)	**32,429**	3,628
Other receivables and payables	**- 2,277**	- 4,129
	629,183	580,157

As per December 31, 2011 and December 31, 2010 the plan assets do not include shares which were issued by Royal Boskalis Westminster N.V.

The recognition of pension costs from defined benefit pension schemes in the consolidated financial statements is presented in the statement below:

	2011	2010
Total result defined benefit schemes	**76,216**	40,049
Pension costs for defined benefit pension schemes charged to the consolidated income statement	**- 17,427**	- 11,456
Actuarial gains and losses and asset limitation recognized directly in equity	**58,789**	28,593
Taxation	**- 9,537**	- 5,123
Actuarial gains and losses and asset limitation recognized directly in equity net of tax	**49,252**	23,470
Actual return on plan assets	**31,754**	43,142

The accumulated actuarial gains and losses and the balance of the limitation on net plan assets amount to:

	2011	2010
Accumulated actuarial gains and losses as per December 31	**- 113,869**	- 52,564
Asset limitation on net plan assets as per December 31	**- 8,775**	- 11,291
	- 122,644	- 63,855

The Group expects € 66.5 million in contributions to be paid to the funded defined benefit pension schemes and € 1.2 million in benefits to be paid for the unfunded schemes in 2012.

The expected return on plan assets is the weighted average of actuarially proven expected returns on fixed interest securities and shares based, in part, on external sources. The principal actuarial assumptions used for the calculations are:

	2011	2010
Discount rate	**4.40% - 6.00%**	4.70% - 6.75%
Expected return on plan assets past year	**4.00% - 5.50%**	4.70% - 5.70%
Expected future salary increases	**0.50% - 2.00%**	0.50% - 2.00%
Expected future inflation	**1.00% - 3.30%**	1.00% - 3.40%
Expected future pension increases active participants	**1.90% - 3.00%**	0.20% - 3.50%
Expected future pension increases inactive participants	**0.20% - 2.70%**	0.20% - 3.50%

Historical information:

	2011	2010	2009	2008	2007
Defined benefit obligation	**- 687,660**	- 586,570	- 327,872	- 301,853	- 314,186
Fair value of plan assets	**629,183**	580,157	327,935	287,007	345,014
Surplus / deficit (-)	**- 58,477**	- 6,413	63	- 14,846	30,828
Unfunded pension liabilities	**- 9,134**	- 9,157	- 8,288	- 7,598	- 6,931
Total surplus / deficit (-)	**- 67,611**	- 15,570	- 8,225	- 22,444	23,897
Experience adjustments arising on plan liabilities	**- 10,922**	- 16,512	- 1,264	7,929	- 25,747
Experience adjustments arising on plan assets	**4,858**	18,770	27,081	- 56,011	- 10,165

Experience adjustments are defined as all gains / losses (-) due to changes other than changes in the discount rate.

25. PROVISIONS

	UNFAVOURABLE AND ONEROUS CONTRACTS	**CLAIMS**	**GUARANTEE OBLIGATIONS**	**SOIL DECONTAMINA-TION**	**OTHER**	**TOTAL**	**2010**
Balance as at January 1, 2011	**30,381**	**10,309**	**5,618**	**4,086**	**7,099**	**57,493**	8,148
Acquired through business combinations	2,050	—	835	—	—	2,885	45,423
In / (out) consoldiation	- 1,247	—	—	—	- 342	- 1,589	—
Provisions made during the year	—	1,000	1,415	216	2,669	5,300	19,997
Provisions used during the year	- 14,151	- 34	- 763	—	- 2,106	- 17,054	- 13,748
Provisions reversed during the year	- 3,754	- 67	—	—	- 390	- 4,211	- 2,504
Other movements	- 4,466	—	—	—	- 1,001	- 5,467	—
Exchange rate differences	- 255	—	179	—	- 17	- 93	204
Discount to present value	—	948	27	—	—	975	- 27
Balance as at December 31, 2011	**8,558**	**12,156**	**7,311**	**4,302**	**5,912**	**38,239**	57,493
Non-current	3,956	12,156	4,425	4,302	2,157	26,996	42,986
Current	4,602	—	2,886	—	3,755	11,243	14,507
Balance as at December 31, 2011	**8,558**	**12,156**	**7,311**	**4,302**	**5,912**	**38,239**	57,493

The provision for unfavourable and onerous contracts consist mainly of provisions, accounted at the start of business combinations, for projects or customer contracts which, when valued at fair value, are determined as unfavourable. The other provisions relate mainly to warranty liabilities, expected costs for cleaning up soil contamination and claims for completed projects received in the year and in previous years. The Group disputes these claims and has made an assessment of the projected costs resulting from these claims. The results of the claims are uncertain and may differ from the above listed provisions.

26. TRADE AND OTHER PAYABLES

	2011	2010
Trade payables	**238,039**	214,182
Taxes and social security payables	**81,286**	69,418
Amounts due to associated companies	**11,308**	343
Other creditors and accruals	**902,492**	738,170
	1,233,125	1,022,113

The trade and other payables are generally not interest-bearing.

27. FINANCIAL INSTRUMENTS

GENERAL

Pursuant to a financial policy maintained by the Board of Management, the Group and its Group companies use several financial instruments in the ordinary course of business. The policy with respect to financial instruments is disclosed in more detail in the Annual Report in the "Corporate Governance" chapter. The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts, trade and other payables and derivatives. The Group enters into derivative transactions, mainly foreign currency forward contracts and to a limited extent interest rate swaps, to hedge against the related risks as the Group's policy is not to trade in derivatives.

27.1 FINANCIAL RISK MANAGEMENT

- The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk, existing of: currency risk, interest rate risk and price risk

27.1.1 CREDIT RISK

The Group has a strict acceptance and hedging policy for credit risks, resulting from payment and political risks. In principle, credit risks are covered by means of bank guarantees, insurance, advance payments, et cetera, except in the case of creditworthy, first class debtors. These procedures and the (geographical) diversification of the operations of the Group companies reduce the risk with regard to credit concentration.

Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The Group's exposure to credit risk is mainly determined by the individual characteristics of each of the customers and the location of these customers. A large part of the Group's projects in progress within the operational segments Dredging & Earthmoving and Maritime Infrastructure is directly or indirectly with state controlled authorities and (contractors of) oil and gas producers in various countries and geograhical areas.

Activities relating to Harbor Towage activities are often performed for major ship owing companies and harbor agents. Receivables relating to Transport, Terminal Services and Heavy Lift activities are generally outstaning with oil and gas producers, therefore a significant portion of the receivables relates to clients from these industries. Salvage receivables are mainly outstaning with shipping companies and their Protection & Indemnity Associations, or "P&I Clubs". In general there is healthy diversification of receivables with different customers in several countries in which the Group is performing its activities. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit history of the Group over the recent years indicates that bad debts incurred are insignificant compared to the level of activities. Therefore, management is of the opinion that credit risk is adequately controlled through the currently applicable procedures.

The maximum credit risk as per balance sheet date, without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	December 31	
	2011	2010
Non-current receivables	**112,064**	40,373
Trade receivables	**518,164**	550,080
Amounts due from associated companies	**22,973**	9,672
Other receivables and prepayments	**408,034**	233,587
Derivatives (receivable)	**7,235**	5,036
Income tax receivable	**21,298**	23,060
Cash and cash equivalents	**397,957**	357,744
	1,487,725	1,219,552

The maximum credit risk on trade debtors at reporting date by operational segment was as follows:

	2011	2010
Dredging & Earthmoving	**316,468**	398,082
Salvage, Transport & Heavy Lift	**61,439**	65,340
Harbour Towage	**37,455**	26,926
Terminal Services	**41,397**	41,781
Maritime Infrastructure	**67,611**	21,613
Holding	**- 6,206**	- 3,662
	518,164	550,080

The aging of trade debtors as at December 31 was as follows:

	2011		2010	
	GROSS	**IMPAIRMENT**	GROSS	IMPAIRMENT
Not past due	**276,884**	**–**	323,935	–
Past due 0 - 90 days	**102,340**	**4,872**	148,690	2,806
Past due 90 - 180 days	**27,407**	**8,448**	23,577	4,504
Past due 180 - 360 days	**24,419**	**3,672**	13,382	2,416
More than 360 days	**114,121**	**10,015**	60,884	10,662
	545,171	**27,007**	570,468	20,388
Impairment	**- 27,007**		- 20,388	
Trade receivables at book value	**518,164**		550,080	

With respect to the receivables that are neither impaired nor past due, there are no indications as of the reporting date that these will not be settled.

The movement in the allowance for impairment in respect of trade debtors during the year was as follows:

	2011	2010
Balance at January 1	**20,388**	4,435
Acquired through business combinations	**1,508**	15,555
In / (out) consolidation	**- 668**	–
Provisions made during the year	**7,168**	3,738
Provisions used during the year	**- 70**	- 4,058
Provisions released during the year	**- 1,459**	- 88
Exchange rate differences	**140**	806
	6,619	15,953
Balance at December 31	**27,007**	20,388

Concentration of credit risk

As at reporting date there is no concentration of credit risk with certain customers.

27.1.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by the Board of Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. Furthermore, based on the Group's financial ratios it can be concluded that the Group has significant debt capacity available under an (implied) "investment grade"-credit profile.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Book value	Contractual cash flows	One year or less	1 - 5 years	More than 5 years
As at December 31, 2011					
Mortgage loans	**- 198,477**	**- 244,316**	**- 62,503**	**- 110,501**	**- 71,312**
Other interest-bearing loans	**- 593,791**	**- 717,241**	**- 83,490**	**- 251,617**	**- 382,134**
Bank overdrafts	**- 15,364**	**- 15,364**	**- 15,364**	**–**	**–**
Trade and other payables	**- 1,233,125**	**- 1,233,125**	**- 1,233,125**	**–**	**–**
Current tax payable	**- 149,816**	**- 149,816**	**- 149,816**	**–**	**–**
Derivatives	**- 31,315**	**- 31,315**	**- 20,853**	**2,202**	**- 12,664**
	- 2,221,888	**- 2,391,177**	**- 1,565,151**	**- 359,916**	**- 466,110**

	Book value	Contractual cash flows	One year or less	1 - 5 years	More than 5 years
As at December 31, 2010					
Mortgage loans	- 216,624	- 265,515	- 46,030	- 152,931	- 66,554
Other interest-bearing loans	- 591,145	- 738,900	- 89,211	- 238,570	- 411,119
Bank overdrafts	- 1,475	- 1,564	- 1,564	–	–
Trade and other payables	- 1,022,113	- 1,022,113	- 1,022,113	–	–
Current tax payable	- 163,107	- 163,107	- 163,107	–	–
Derivatives	- 44,707	- 44,707	- 23,213	- 1,235	- 20,259
	- 2,039,171	- 2,235,906	- 1,345,238	- 392,736	- 497,932

27.1.3 MARKET RISK

Market risk concerns the risk that group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Currency risk

A significant proportion of the projects is denominated in foreign currencies. That means that reported financial results and cash flows are exposed to risks ensuing from changes in exchange rates. The Board of Management has established a detailed currency risk management policy stipulating as main principle that currency risk, arising from transactions, must be hedged as soon as they occur, usually with forward contracts. Financial derivatives are used exclusively insofar as there are underlying real transactions, mainly future cash flows from contracted projects. Hedge accounting is applied to the majority of these cash flow hedges.

Exposure to currency risk

The Group's currency risk management policy was carried out during 2011 and resulted in a non-material sensitivity of the Group to currency transaction risk.

The following significant exchange rates applied during the year under review:

	Average rate		Reporting date spot rate	
Euro	**2011**	2010	**2011**	2010
US dollar	**1.383**	1.334	**1.298**	1.342
Arab Emirates dirham	**5.091**	4.901	**4.768**	4.928
Singapore dollar	**1.738**	1.814	**1.680**	1.720
South African rand	**9.995**	9.716	**10.48**	8.880
Australian dollar	**1.339**	1.450	**1.270**	1.310
Brazilian real	**2.316**	2.514	**2.420**	2.230

Currency translation risk

The currency translation risk as per year-end can be summarized as follows:

	2011	2010
Expected cash flows in US dollars	**162,875**	139,626
Expected cash flows in Australian dollars	**2,835**	39,061
Expected cash flows in Singapore dollars	**- 2,363**	55,573
Expected cash flows in other currencies	**72,435**	97,243
Expected cash flows in foreign currencies	**235,782**	331,503
Cash flow hedges	**223,716**	325,970
Net position	**12,066**	5,533

Because of the relative linkage between the exchange rates of a number of currencies and the US dollars, these currencies are mainly hedged by means of US dollar cash flow hedges.

Currency translation risk and financing

The currency translation risk arises mainly from the net asset position of subsidiaries, associated companies and joint ventueres, whose functional currency is different form the presentiation currency of the Group. These investments are viewed from a long-term perspective. Currency risks associated with investments in these affiliated companies are not hedged, under the assumption that currency fluctuations and interest and inflation developments balance out in the long run. Items in the income statements of these subsidiaries are translated at average exchange rates. Currency translation differences are charged or credited directly to equity.

At reporting date the net asset positions of the main subsidiaries, associated companies and joint ventueres in main functional currencies other than the Euro were as follows:

Euro	2011	2010
US dollar	**365,357**	215,395
Singapore dollar	**272,259**	243,250
South African rand	**30,174**	39,644
Brazilian real	**56,669**	23,074
Total net equity	**724,459**	521,363

Furthermore a loan is issued of US dollar 206.2 million to Lamnalco. This loan is hedged through derivatives in euros.

Sensitivity analysis

The Group is mainly funded with a bank loan denominated in Euros and a US Private Placement expressed in US dollars en British Pound Sterling (see note 23). The financing arrangement mentioned above is swapped by means of cross currency swaps into Euros and as a result there is no currency sensitivity in the income statement. The SMIT activities in Brazil have for a part an underlying US dollar cash inflow which is locally hedged with a cash outflow on the US dollar financing (outstanding financing: USD 54.2 million). A 5% weakening of the US dollar against the Brazilian real results in a currency gain of € 2.1 million and vice versa assuming that the exchange rate with the Euro does not change. These currency translation differences are recognized in the income statement. The other US dollar loans are mainly used for financing property, plant and equipment in proportionally consolidated strategic joint ventures.

For the year 2011, profit before taxation, excluding the effect of non-effective cash flow hedges, would have been € 4.1 million higher (2010: € 2.6 million higher) if the corresponding functional currency had strengthened by 5% against the Euro with all other variables, in particular interest rates, held constant. This would have been mainly as a result of foreign exchange gains on translation of the US dollar-denominated result of the affiliates mentioned above. The total effect on the currency translation reserve amounts to about € 36 million (2010: about € 26 million).

A 5% weakening of the corresponding functional currency against the Euro at December 31 would have had the equal but opposite effect assuming that all other variables would remain constant.

Interest rate risk

The Group has both fixed and variable interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate or by using derivatives such as interest rate swaps.

The effective interest rates and the maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

	Effective interest rate	One year or less	1 - 5years	Over 5 years	Total
As at December 31, 2011					
Cash and cash equivalents	**0.46%**	**243,474**	**–**	**–**	**243,474**
Short-term deposits	**0.39%**	**154,483**	**–**	**–**	**154,483**
Mortgage loans (euro)	**4.28%**	**- 6,543**	**- 25,337**	**- 9,447**	**- 41,327**
Mortgage loans (US$)	**5.01%**	**- 42,237**	**- 48,622**	**- 35,373**	**- 126,232**
Mortgage loans (other)	**7.60%**	**- 3,280**	**- 13,404**	**- 14,234**	**- 30,918**
Other interest-bearing loans (euro)	**3.95%**	**- 50,606**	**- 177,248**	**- 348,121**	**- 575,975**
Other interest-bearing loans (other)	**1.27%**	**- 9,906**	**- 7,652**	**- 258**	**- 17,816**
Bank overdrafts (euro)	**4.00%**	**- 7,041**	**–**	**–**	**- 7,041**
Bank overdrafts (US$)	**3.30%**	**- 8,094**	**–**	**–**	**- 8,094**
Bank overdrafts	**3.96%**	**- 229**	**–**	**–**	**- 229**
		270,021	**- 272,263**	**- 407,433**	**- 409,675**

	Effective interest rate	One year or less	1 - 5years	Over 5 years	Total
As at December 31, 2010					
Cash and cash equivalents	0.41%	200,018	–	–	200,018
Short-term deposits	0.60%	157,726	–	–	157,726
Mortgage loans (euro)	4.47%	- 8,167	- 29,459	- 18,522	- 56,148
Mortgage loans (US$)	4.80%	- 25,480	- 91,377	- 25,216	- 142,073
Mortgage loans (other)	8.30%	- 1,526	- 6,800	- 10,077	- 18,403
Other interest-bearing loans (euro)	3.72%	- 66,071	- 170,944	- 333,969	- 570,984
Other interest-bearing loans (US$)	1.87%	- 1,522	- 3,884	- 14,755	- 20,161
Bank overdrafts	6.00%	- 1,475	–	–	- 1,475
		253,503	- 302,464	- 402,539	- 451,500

Cash, deposits and bank overdrafts and the other interest-bearing loans have no fixed interest rates.

Sensitivity analysis

In managing interest rate risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. In the long term, however, permanent changes in interest rates will have an impact on profit.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments taking into account the corresponding effective hedge instruments, was:

	2011	2010
Fixed rate instruments		
Financial assets	**209,862**	88,343
Financial liabilities	**- 651,253**	- 661,778
	- 441,391	- 573,435
Variable rate instruments		
Financial assets	**267,517**	269,401
Financial liabilities	**- 156,371**	- 147,466
	111,146	121,935

A decrease of 100 basis points in interest rates at December 31, 2011 would have decreased the Group's profit before income tax by approximately € 1.1 million (2010: € 1.2 million), with all other variables, in particular currency exchange rates, held constant.

Price risks
Risks related to price developments on the purchasing side, such as amongst others increased wages, costs of materials, sub-contracting costs and fuel, which are usually for the Group's account, are also taken into account when preparing cost price calculations and tenders. Wherever possible, especially on projects that extend over a long period of time, price index clauses are included in contracts.

With regard to fuel price risk, the Board of Management has established a fuel price risk management policy stipulating approved fuel price risk management instruments. These include: delivery of fuel by the client, price escalation clauses, fixed price supply contracts and financial derivatives (forward, future and swap contracts).

27.2 ON-BALANCE FINANCIAL INSTRUMENTS AND FAIR VALUE
Financial instruments accounted for under assets and liabilities are financial fixed assets, cash and cash equivalents, receivables, and current and non-current liabilities. Derivatives are mainly future cash flows hedged by forward contracts to which hedge accounting is applied. Furthermore, strategic alliances currently hold a number of interest rate swaps. These are recognized under other derivatives.

The fair value of most of the financial instruments does not differ materialy from the book value, with the exception of, long term and short term, loans and other payables with a fixed rate. The fair value of these items exceeds the book value by € 15.0 million (2010: € 7.7 million).

Fair value hierarchy
For the fair value measurement of the recognized financial instruments a fair value hierarchy is defined in accordance with IFRS 7:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the derivatives, which is the only category of financial instruments that qualify for this approach, is measured using level 2 input (2010: level 2).

The fair value of the forward exchange contracts is based on their listed market price, as at the end of the year (unadjusted market prices in active markets for identical assets and liabilities). The fair value other financial instruments is based on the actual interest rate as at balance sheet date, taking into account terms and maturity. The effective interest does not differ materially from the current market interest. The fair value of non-interest bearing financial instruments with a maturity of twelve months or less is suppposted to be equal to their book value.

Derivatives
The composition of outstanding derivatives at year-end is presented below.

2011	WITHIN ONE YEAR	AFTER ONE YEAR	TOTAL
USD forward selling (in US$)	**338,798**	**18,871**	**357,669**
USD forward buying (in US$)	**70,389**	**–**	**70,389**
Forward selling of other currencies (average contract rates in euro)	**81,355**	**10,818**	**92,173**
Forward buying of other currencies (average contract rates in euro)	**53,668**	**–**	**53,668**
Fuel hedges (in US$)	**- 66**	**- 115**	**- 181**
Interest Rate Swaps (in US$)	**- 763**	**- 1,893**	**- 2,656**
Interest Rate Swaps (in Eur)	**1,788**	**- 5,311**	**- 3,523**

2010	WITHIN ONE YEAR	AFTER ONE YEAR	TOTAL
USD forward selling (in US$)	223,418	30,069	253,487
USD forward buying (in US$)	43,136	2,450	45,586
Forward selling of other currencies (average contract rates in euro)	217,278	32,985	250,263
Forward buying of other currencies (average contract rates in euro)	87,232	10,415	97,647
Fuel hedges (in US$)	- 2,690	–	- 2,690
Other derivatives (in US$)	- 58	- 18	- 76
Interest Rate Swaps (in US$)	- 1,441	- 4,550	- 5,991
Interest Rate Swaps (in Eur)	- 334	- 17,020	- 17,354

The remaining time to maturity of these derivatives has a direct relation to the remaining time to maturity of the relating underlying contracts in the order book.

Cash flows from forward currency buyings and sellings can be rolled forward at settlement date when they differ from the underlying cash flows.

The results on effective cash flow hedges are recognized in group equity as stated below:

	2011	2010
Opening balance Hedging reserve as at January 1	**- 2,354**	8,262
Movement in fair value of effective cash flow hedges recognized in group equity	**2,937**	- 4,380
Transferred to the income statement	**3,137**	- 7,174
Total directly recognized in group equity	**6,074**	- 11,554
Taxation	**- 921**	938
Directly charged to the Hedging reserve (net of taxes)	**5,153**	- 10,616
Balance Hedging reserve as at December 31	**2,799**	- 2,354

The results on non-effective cash flow hedges are presented within the operational costs and amount to € 0.9 million negative over 2011 (2010: € 6.2 million negative).

27.3 CAPITAL MANAGEMENT

The Board of Management's policy is to maintain a strong capital base so as to maintain customer, investor, creditor and market confidence and to support future development of the business. The Board of Management monitors the return on equity, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Management also monitors the level of dividend to be paid to holders of ordinary shares. For the dividendpolicy reference is made to the Shareholdersinformation in the Annual Report.

The Board of Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the benefits of a sound capital position. The Group's target is to achieve a long-term return on equity of at least 12%; in 2011 the return was 15.4% (2010: 21.7%).

Royal Boskalis Westminster N.V. does not have a defined share buy-back plan.
There were no changes in the Group's approach to capital management during the year.
Neither the Group or any of its Group companies are subject to externally imposed capital requirements.

The Group's net debt (€ 2,926 million; 2010: € 2,716 million) to Group equity (€ 1,747 million; 2010: € 1,599 million) at the reporting date amounts to 1.67 (2010: 1.70).

27.4 OTHER FINANCIAL INSTRUMENTS

Pursuant to the decision of the General Meeting of Shareholders held on May 9, 2001, the Stichting Continuïteit KBW has acquired the right to take cumulative protective preference shares in Royal Boskalis Westminster N.V. for a nominal amount which shall be equal to the nominal amount of ordinary shares outstanding at the time of the issue. This right qualifies as a derivative financial liability, with the following important conditions. The cumulative protective preference shares are to be issued at par against a 25% cash contribution, the remainder after call-up by the Stichting in consultation with Royal Boskalis Westminster N.V. After the issue, Royal Boskalis Westminster N.V. has the obligation to buy or cancel the shares upon the Stichting's request. The preferential dividend right amounts to Euribor increased by 4% at most. The interest and credit risk is limited. The fair value of the option right is nil.

28. COMMITMENTS AND CONTINGENT LIABILITIES

Operational lease obligations

The operational lease obligations relate primarily to the operational lease of a trailing suction hopper dredger (at year-end 2010), cars and offices. Additional clauses are not taken into account presuming that these are not unconditional.

Non-redeemable operating lease contracts are recognized at nominal amounts and are due as follows:

	2011	2010
Within one year	**27,152**	22,563
Between one and five years	**32,592**	33,663
After more than five years	**5,741**	7,068
	65,485	63,294

Guarantees

The guarantee commitments as at December 31, 2011 amount to € 960 million (2010: € 812 million) and can be specified as follows:

	2011	2010
Guarantees provided by third parties with respect to:		
Associated companies	**10,000**	8,000
Contracts and joint ventures	**948,000**	804,000
Lease obligations and other financial obligations	**2,000**	–
	960,000	812,000

For the above guarantees outstanding as at December 31, 2011, counter-guarantees have been provided to financial institutions for approximately € 958 million (2010: approximately € 804 million). Nineteen key Group companies are jointly and severally liable in respect of credit facilities and guarantees provided to several Group companies. In respect of these credit facilities, it has been agreed to limit the provision of further securities on existing property, plant and equipment.

Group companies are jointly and severally liable for the non-consolidated part of the liabilities of their joint ventures: in total € 150 million (2010: € 189 million). Group companies are also jointly and severally liable for performance obligations for contracts with third parties in project-driven construction consortiums. In addition, certain recourse obligations exist in respect of project financiers and guarantees of deployment relating to equipment. Where deemed necessary, provisions have been made.

Capital commitments

At year-end 2011, capital commitments amount to € 193 million (year-end 2010: € 93 million).

Other

Some legal proceedings and investigations have been instituted against (entities of) Royal Boskalis Westminster N.V. Where deemed necessary and if a reliable estimate of the future cash flows can be made, provisions have been made. Dutch companies were part of a fiscal unity. The companies are therefore liable for the tax obligations of the fiscal unity as a whole.

29. SUBSEQUENT EVENTS

Proposed profit appropriation 2011
An amount of € 126.0 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, € 128.3 million, for a dividend payment of € 1.24 per share.

The dividend will be made payable in ordinary shares to be charged to the tax-exempt share premium or to be charged to the retained earnings, unless a shareholder expressly requests payment in cash.

30. RELATED PARTIES

30.1 IDENTITY OF RELATED PARTIES

The identified related parties to the Group are its Group companies, its joint ventures, its associated companies (see note 16), its shareholders with significant influence, its pension funds that are classified as funded defined benefit pension schemes in accordance with IAS 19 and the members of the Supervisory Board and Board of Management.

GROUP COMPANIES

The following are the most relevant active Group companies.

COMPANY	CITY OF INCORPORATION	COUNTRY OF INCORPORATION	2011	2010
Baggermaatschappij Boskalis B.V.	Papendrecht	The Netherlands	**100%**	100%
Baggermaatschappij Holland B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Finance B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Holding B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis International B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Maritime Investments B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Offshore B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Westminster Dredging B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Westminster International B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Westminster Shipping B.V.	Papendrecht	The Netherlands	**100%**	100%
Boskalis Zinkcon B.V.	Papendrecht	The Netherlands	**100%**	100%
BW Marine B.V.	Papendrecht	The Netherlands	**100%**	100%
BW Soco B.V.	Sliedrecht	The Netherlands	**100%**	100%
Hydronamic B.V.	Sliedrecht	The Netherlands	**100%**	100%
Boskalis Dolman B.V.	Dordrecht	The Netherlands	**100%**	100%
A.H. Breijs & Zonen B.V.	Rotterdam	The Netherlands	**100%**	100%
Boskalis B.V.	Rotterdam	The Netherlands	**100%**	100%
Rotterdam Tug B.V.	Rotterdam	The Netherlands	**100%**	100%
SMIT Harbour Towage Rotterdam B.V.	Rotterdam	The Netherlands	**100%**	100%
SMIT Heavy Lift Europe B.V.	Rotterdam	The Netherlands	**100%**	100%
Smit Internationale Beheer B.V.	Rotterdam	The Netherlands	**100%**	100%
Smit Internationale N.V.	Rotterdam	The Netherlands	**100%**	100%
Smit Internationale Overseas B.V.	Rotterdam	The Netherlands	**100%**	100%
SMIT Marine Projects B.V.	Rotterdam	The Netherlands	**100%**	100%
Smit Nederland B.V.	Rotterdam	The Netherlands	**100%**	100%
SMIT Salvage B.V.	Rotterdam	The Netherlands	**100%**	100%
SMIT Subsea Europe B.V.	Rotterdam	The Netherlands	**100%**	100%
SMIT Transport Europe B.V.	Rotterdam	The Netherlands	**100%**	100%
Smit Vessel Management Services B.V.	Rotterdam	The Netherlands	**100%**	100%
Cofra B.V.	Amsterdam	The Netherlands	**100%**	100%
Aannemingsmaatschappij Markus B.V.	Halfweg	The Netherlands	**100%**	100%
MNO Vervat - International B.V.	Nieuw Vennep	The Netherlands	**100%**	–
MNO Vervat B.V.	Nieuw Vennep	The Netherlands	**100%**	–
URS Nederland B.V.	Terneuzen	The Netherlands	**100%**	100%
J. van Vliet B.V.	Wormerveer	The Netherlands	**100%**	100%
SMIT Transport Belgium N.V.	Antwerpen	Belgium	**100%**	100%
Unie van Redding- en Sleepdienst België N.V.	Antwerpen	Belgium	**100%**	100%
Unie van Redding- en Sleepdienst N.V.	Antwerpen	Belgium	**100%**	100%
Dredging & Contracting Belgium N.V.	Overijse	Belgium	**100%**	100%
Heinrich Hirdes GmbH	Hamburg	Germany	**100%**	100%
Heinrich Hirdes Kampfmittelräumung GmbH	Duisburg	Germany	**100%**	100%
Rock Fall Company Ltd	Ayrshire	United Kingdom	**100%**	100%
Boskalis Westminster Ltd	Fareham	United Kingdom	**100%**	100%

COMPANY	CITY OF INCORPORATION	COUNTRY OF INCORPORATION	2011	2010
Cofra Ltd	Fareham	United Kingdom	**100%**	–
Westminster Dredging (Overseas) Ltd	Fareham	United Kingdom	**100%**	100%
Westminster Dredging Company Ltd	Fareham	United Kingdom	**100%**	100%
Westminster Gravels Ltd	Fareham	United Kingdom	**100%**	100%
Smit Subsea Africa Ltd.	Isle of Man	United Kingdom	**100%**	100%
Smit Harbour Towage (U.K.) Ltd.	Londen	United Kingdom	**100%**	100%
Irish Dredging Company Ltd.	Cork	Ireland	**100%**	100%
Atlantique Dragage SARL	Nanterre	France	**100%**	100%
Sociedad Española de Dragados SA	Madrid	Spain	**100%**	100%
Dragapor Dragagens de Portugal SA	Alcochete	Portugal	**100%**	100%
Boskalis Italia S.r.l.	Rome	Italy	**100%**	100%
Terramare Oy	Helsinki	Finland	**100%**	100%
Boskalis Offshore A/S	Randaberg	Norway	**100%**	100%
Boskalis Sweden AB	Gothenburg	Sweden	**100%**	100%
Boskalis Polska Sp. z O.O.	Szczecin	Poland	**100%**	100%
Terramare Eesti Osaühing	Tallinn	Estonia	**100%**	100%
UAB Boskalis Baltic	Klaipeda	Lithuania	**100%**	100%
OOO Bolmorstroy	Sint Petersburg	Russia	**100%**	100%
Boskalis Westminster Dredging and Contracting Ltd	Nicosia	Cyprus	**100%**	100%
Boskalis Westminster Dredging Ltd	Nicosia	Cyprus	**100%**	100%
Boskalis Westminster Middle East Ltd	Nicosia	Cyprus	**100%**	100%
BW Marine (Cyprus) Ltd	Nicosia	Cyprus	**100%**	100%
Boskalis do Brasil Dragagem e Serviços Maritímos Ltda	Rio de Janeiro	Brazil	**100%**	100%
Rebras Rebocadores do Brasil S.A.	Rio de Janeiro	Brazil	**100%**	50%
Boskalis Canada Dredging & Marine Service Ltd.	Vancouver	Canada	**100%**	100%
Smit Marine Canada Inc.	Whitehorse	Canada	**100%**	100%
Stuyvesant Dredging Co.	Metairie	United States of America	**100%**	100%
Stuyvesant Projects Realization Inc.	Metairie	United States of America	**100%**	100%
Boskalis Westminster Inc.	Wilmington	United States of America	**100%**	100%
Stuyvesant Envirionmental Contracting LLC	Wilmington	United States of America	**100%**	100%
Dragamex S.A. de CV	Coatzacoalcos	Mexico	**100%**	100%
Boskalis Panama S.A.	Ancon	Panama	**100%**	100%
Smit Harbour Towage (Panama), Inc.	Panama City	Panama	**100%**	100%
Smit Caribbean Ltd.	Dominica	Dominica	**100%**	100%
Boskalis Westminster St. Lucia Ltd	Castries	St. Lucia	**100%**	100%
Boskalis Guyana Inc.	Georgetown	Guyana	**100%**	100%
Riovia S.A.	Montevideo	Uruguay	**100%**	100%
Boskalis International Uruguay S.A.	Montevideo	Uruguay	**100%**	100%
Dravensa C.A.	Caracas	Venezuela	**100%**	100%
BKI Egypt for Marine Contracting S.A.E.	Cairo	Egypt	**49%**	49%
Nigerian Westminster Dredging and Marine Ltd	Lagos	Nigeria	**60%**	60%
Adreco - Serviços de Dragagem Ltda	Luanda	Angola	**49%**	49%
BKI Gabon S.A.	Libreville	Gabon	**100%**	100%
Smit Amandla Marine (Pty) Ltd.	Kaapstad	South Africa	**70%**	70%
Smit Marine South Africa (Pty) Ltd.	Kaapstad	South Africa	**100%**	100%
Boskalis Westminster (Oman) LLC	Seeb	Oman	**49%**	49%
Boskalis Westminster Al Rushaid Co Ltd	Dhahran	Saoedi-Arabië	**49%**	49%
SMIT Subsea Middle East L.L.C.	Dubai	Untied Arab Emirates	**49%**	49%
Boskalis Australia Pty Ltd	Chatswood	Australia	**100%**	100%
Smit Marine Australia Pty Ltd	Sydney	Australia	**100%**	100%
Boskalis International (S.) Pte Ltd	Singapore	Singapore	**100%**	100%
Zinkcon Marine Singapore Pte Ltd	Singapore	Singapore	**100%**	100%
Koon Zinkcon Pte Ltd	Singapore	Singapore	**50%**	50%
Smit Shipping Singapore Private Ltd.	Singapore	Singapore	**100%**	100%
Smit Singapore Pte. Ltd.	Singapore	Singapore	**100%**	100%
Smit Holding Singapore Private Ltd.	Singapore	Singapore	**100%**	100%
Smit Tak Heavy Lift (S) Pte. Ltd.	Singapore	Singapore	**100%**	100%
P.T. Boskalis International Indonesia	Jakarta	Indonesia	**100%**	100%
Boskalis International (M) Sdn Bhd	Kuala Lumpur	Malysia	**30%**	30%
Boskalis Dredging India PvT Ltd.	Mumbai	India	**100%**	100%
Beijing Boskalis Dredging Technology co Ltd.	Beijing	China	**100%**	100%
Boskalis Taiwan Ltd	Taipei	Taiwan	**100%**	100%
Smit Taiwan Investments Holding Co. Ltd.	Taipei	Taiwan	**100%**	100%

JOINT VENTURES

The following are the most relevant active joint ventures.

Strategic alliances:

ENTITY	COUNTRY OF INCORPORATION	2011	2010
Archirodon Group N.V.	The Netherlands	**40%**	40%
Deeprock CV	The Netherlands	**50%**	50%
Overseas Contracting & Chartering Services B.V.	The Netherlands	**50%**	50%
Rock Braz B.V.	The Netherlands	**50%**	50%
Adriatic Towage S.r.l.	Italy	**50%**	50%
Lamnalco Ltd	Sharjah, United Arab Emirates	**50%**	50%
Ocean Marine Egypt S.A.E	Egypt	**50%**	50%
Asian Lift Pte. Ltd.	Singapore	**50%**	50%
Keppel Smit Towage Pte. Ltd.	Singapore	**49%**	49%
Maju Maritime Pte. Ltd.	Singapore	**49%**	49%
Donjon-SMIT LLC	United States of America	**50%**	50%

Project-driven construction consortiums:

ENTITY	COUNTRY OF INCORPORATION	2011	2010
Combinatie Haarrijnse Plas	The Netherlands	**25%**	25%
Combinatie Bowegro vof	The Netherlands	**50%**	50%
Consortium N11	The Netherlands	**17%**	17%
Bouwcombinatie Hollandse Meren	The Netherlands	**9%**	9%
Bouwcombinatie Brabant Noord	The Netherlands	**9%**	9%
Combinatie HSL 1 Grond & Wegen	The Netherlands	**20%**	20%
Combinatie HSL 5 Noord Grond & Wegen	The Netherlands	**15%**	15%
Combinatie Smink BKD vof	The Netherlands	**50%**	50%
Combinatie BVNN Boskalis Dolman vof	The Netherlands	**50%**	50%
Oosterhof Holman Boskalis	The Netherlands	**50%**	50%
N201 Aalsmeer - Uithoorn	The Netherlands	**15%**	15%
Projectorganisatie Uitbreiding Maasvlakte (PUMA) vof	The Netherlands	**50%**	50%
Combinatie Grond & Wegen N201	The Netherlands	**50%**	50%
Combinatie KWS - Markus	The Netherlands	**50%**	50%
Bouwcombinatie Volgermeer	The Netherlands	**50%**	50%
Combinatie A2 HoMa	The Netherlands	**38%**	38%
Combinatie de Keent	The Netherlands	**50%**	50%
Stemat/Boskalis vof	The Netherlands	**50%**	50%
Combinatie KWS/Boskalis Westrandweg GWW	The Netherlands	**50%**	50%
Combinatie Westpoort vof	The Netherlands	**15%**	15%
Vinkeveen-Haarrijn	The Netherlands	**25%**	25%
Combinatie Opperduit	The Netherlands	**33%**	33%
Trajectum Novum Grond & Wegen	The Netherlands	**33%**	33%
Combinatie Trajectum Novum vof	The Netherlands	**13%**	13%
Markus - Transverko	The Netherlands	**50%**	50%
Combinatie Van Kessel - Boskalis Gouwe Park	The Netherlands	**50%**	50%
Combinatie KWS Infra - Boskalis N23	The Netherlands	**30%**	30%
CV Projectbureau Grensmaas	The Netherlands	**17%**	17%
Infrateam N50 Ramspol	The Netherlands	**18%**	18%
A4all	The Netherlands	**10%**	–
Combinatie Amschberg	The Netherlands	**33%**	–
Boskalis Offshore AS - Tideway vof	The Netherlands	**50%**	50%
Joint Venture Boskalis - Jac. Rijk	The Netherlands	**50%**	50%
Boskalis Offshore/Rohde Nielsen vof	The Netherlands	**50%**	50%
Tideway - Boskalis Offshore L9 vof	The Netherlands	**50%**	50%
Lago Wirense CV	The Netherlands	**50%**	50%
Boskalis International - Dredging International CV	The Netherlands	**50%**	50%
BOFF-TID NL vof	The Netherlands	**50%**	50%
Vof BKO-TID	The Netherlands	**50%**	50%
Offshorebasis Cuxhaven LP8	Germany	**50%**	50%
Weserunterhaltungsbaggerung Bremerhaven	Germany	**50%**	50%
Binnenhafenkaje Kiel	Germany	**50%**	50%
Swinoujscie Breakwater	Poland	**60%**	60%

ENTITY	COUNTRY OF INCORPORATION	2011	2010
Britannia Satellites	United Kingdom	**50%**	50%
UTE Dragado Gijon	Spain	**50%**	50%
OOO Mortekhnika	Russia	**50%**	50%
Jurong and Tuas Rock Contractors JV	Singapore	**75%**	75%
Penta-Ocean Koon DI Boskalis Ham JV (Jurong 4)	Singapore	**17%**	17%
Ras Laffan Port Expansion	Qatar	**50%**	50%
Khalifa Port Marine Consortium	Abu Dhabi, United Arab Emirates	**43%**	43%
Port Rashid	Dubai, United Arab Emirates	**50%**	50%
Boskalis International - DISC JV	Angola	**50%**	50%
Boskalis Jan de Nul Ltda	Angola	**50%**	50%
Boscampo	Cameroon	**50%**	50%
Bahia Blanca	Argentinia	**50%**	50%
Quequen	Argentinia	**50%**	50%

Associated companies
The most relevant active associated companies are mentioned in note 16.

Pension funds that are classified as funded defined pension schemes in accordance with IAS 19
For information on pension funds that are classified as funded defined benefit pension plans in accordance with IAS 19, we refer to note 24.1. There were no further material transactions with these pension funds.

Members of the Board of Management and members of the Supervisory Board
The only key management officers qualifying as related parties are the members of the Board of Management and the members of the Supervisory Board.

30.2 RELATED PARTY TRANSACTIONS

Joint ventures
In October 2011, Lamnalco, a joint venture in which Boskalis participates for 50%, has acquired a significant part of the terminal business of SMIT. The Group invested capital in and issued a loan to Lamnalco for the financing of a part of this transaction. We refer to note 5.4. During the financial years 2011 and 2010, there were no material transactions with strategic alliances other than in joint control. Those material transactions were mainly in proportion to the percentage of participation in the activities in project-driven construction consortiums. Transactions with project-driven construction consortiums take place on a large scale because of the nature of the business activities. In respective joint venture agreements, equivalence between individual partners is achieved by means of, inter alia, agreed rates for personnel and equipment. The joint Group companies have, at year-end 2011, amounts receivable from and payable to project-driven construction consortiums amounting to € 106 million and € 286 million respectively (2010: € 106 million and € 295 million respectively).

The proportional share of the Group in the assets, liabilities, revenue and expenses of joint ventures is stated below.

	2011	2010
Non-current assets	**565,633**	437,534
Current assets	**463,064**	482,329
Total assets	**1,028,697**	919,863
Non-current liabilities	**105,338**	163,527
Current liabilities	**509,281**	414,758
Total liabilities	**614,619**	578,285
Net assets	**414,078**	341,578
Contract revenue	**908,691**	988,641
Expenses	**- 738,222**	- 824,847
Net profit	**170,469**	163,794

Associated companies
Transactions with associated companies other than those disclosed in note 16, are not material.
Transactions with members of the Board of Management and members of the Supervisory Board
The emoluments for members of the Board of Management and Supervisory Board of the company in 2011 and 2010 were as follows:

	ANNUAL SALARIES AND REMUNERATION	**EMPLOYER'S PENSION CONTRIBUTIONS**	**SHORT- AND LONG-TERM VARIABLE REMU-NERATION PAID**	**OTHER REIMBURSE-MENTS**	**TOTAL**	2010
Members of the Board of Management						
dr. P.A.M. Berdowski	**659**	**167**	**750**	**7**	**1,583**	1,535
T.L. Baartmans	**477**	**121**	**495**	**7**	**1,100**	1,009
J.H. Kamps	**477**	**121**	**535** *)	**7**	**1,140**	1,037
	1,613	**409**	**1,780**	**21**	**3,823**	3,581 **)
Members of the Supervisory Board						
J.M. Hessels (from August 17 , 2011)	**20**			**1**	**21**	–
H.J. Hazewinkel (from March 27, 2010)	**41**			**2**	**43**	28
H. Heemskerk (till March 22, 2011)	**15**			**1**	**16**	62
M.P. Kramer	**39**			**2**	**41**	41
M. Niggebrugge	**44**			**2**	**46**	46
M. van der Vorm (untill May 12, 2011)	**14**			**1**	**15**	39
J. van Wiechen (from May 12, 2011)	**26**			**2**	**28**	–
C. van Woudenberg	**42**			**2**	**44**	43
	241			**13**	**254**	259
Total 2011	**1,854**	**409**	**1,780**	**34**	**4,077**	
Total 2010	1,651	300	1,860	29		3,840

*) including jubilee bonus
**) The emoluments for members and former members of the Board of Management amounted to € 4,244 thousand over 2010.

The variable remuneration paid in 2011 is related to the achievement of certain targets during the 2010 financial year (short-term variable remuneration) and the achievement of certain targets during the 2008 - 2010 period (long-term variable remuneration).

No loans or guarantees have been provided to, or on behalf of, members of the Board of Management or members of the Supervisory Board.

Long-term incentive plan

The members of the Board of Management participate in a long-term (three years) incentive plan which consist of a part that is based on the development of the share price of the ordinary shares of Boskalis and for a part that depends on the realization of certain objectives, as defined by the Supervisory Board, which are derived from the strategic agenda and in accordance with the objectives of Boskalis for the underlying periods.

As at December 31, 2011 an accrual amounting to € 2.1 million (2010: € 1.9 million) with regard to abovementioned long-term incentive plan is recognized under Other creditors and accruals for the periods 2009/2011, 2010/2012 and 2011/2013.

Multi-year summary of variable remunerations

With regard to the years 2010 up till 2012 the following variable remunerations were granted to the members of the Board of Management:

	year of payment		
	2012	2011	2010
dr. P.A.M. Berdowski	**1,089**	750	830
T.L. Baartmans	**682**	495	501
J.H. Kamps	**682**	495	529
Total	**2,453**	1,740	1,860

COMPANY INCOME STATEMENT

(in € 1,000)	Note	2011	2010
Result of group companies	[3]	**254,254**	310,517
Other results, after taxation		**–**	–
Net profit		**254,254**	310,517

COMPANY BALANCE SHEET BEFORE PROFIT APPROPRIATION

(in € 1,000)	Note	2011	2010
ASSETS			
Non-current assets			
Investments in group companies	[3]	**1,728,694**	1,556,166
		1,728,694	1,556,166
Current assets			
Income tax receivable		**–**	907
Amounts due from group companies		**3,225**	7,954
Other receivables		**950**	–
		4,175	8,861
TOTAL ASSETS		**1,732,869**	1,565,027
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	[4]	**82,777**	80,779
Share premium	[4]	**230,360**	231,335
Legal reserve	[5]	**307,306**	203,524
Hedging reserve	[5]	**2,799**	- 2,354
Revaluation reserve	[5]	**21,150**	3,834
Currency translation reserve	[5]	**1,740**	- 633
Actuarial reserve	[5]	**- 102,820**	- 53,568
Retained earnings	[5]	**935,246**	791,536
Profit for the year	[6]	**254,254**	310,517
		1,732,812	1,564,970
Current liabilities			
Trade and other payables		**57**	57
		57	57
TOTAL EQUITY AND LIABILITIES		**1,732,869**	1,565,027

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in € 1,000)	Note	Balance as at January 1, 2011	Cash dividend	Stock dividend	Addition to retained earnings	Movement other legal reserves	Total recognized income and expense	Balance as at December 31, 2011
Issued capital	[4]	80,779		1,998				82,777
Share premium	[4]	231,335		- 975				230,360
		312,114		1,023				313,137
Other legal reserve	[5]	203,524			–	103,782	–	307,306
Hedging reserve	[5]	- 2,354			–	–	5,153	2,799
Revaluation reserve	[5]	3,834			–	17,316	–	21,150
Currency translation reserve	[5]	- 633			–	–	2,373	1,740
Actuarial reserve	[5]	- 53,568			–	–	- 49,252	- 102,820
Retained earnings	[5]	791,536			264,808	- 121,098	–	935,246
		942,339			264,808	–	- 41,726	1,165,421
Profit appropriation 2010		310,517	- 44,686	- 1,023	- 264,808		–	–
Net profit 2011			–	–	–		254,254	254,254
Profit for the year	[6]	310,517	- 44,686	- 1,023	- 264,808		254,254	254,254
Shareholders' equity		1,564,970	- 44,686	–	–	–	212,528	1,732,812

(in € 1,000)	Note	Balance as at January 1, 2010	Cash dividend	Stock dividend	Addition to retained earnings	Movement other legal reserves	Total recognized income and expense	Balance as at December 31, 2010
Issued capital	[4]	78,921		1,858				80,779
Share premium	[4]	232,076		- 741				231,335
		310,997		1,117				312,114
Other legal reserve	[5]	132,725			–	70,799	–	203,524
Hedging reserve	[5]	8,262			–	–	- 10,616	- 2,354
Revaluation reserve	[5]	3,834			–	–	–	3,834
Currency translation reserve	[5]	- 37,542			–	–	36,909	- 633
Actuarial reserve	[5]	- 30,098			–	–	- 23,470	- 53,568
Retained earnings	[5]	679,737			182,598	- 70,799	–	791,536
		756,918			182,598	–	2,823	942,339
Profit appropriation 2009		227,852	- 44,137	- 1,117	- 182,598			–
Net profit 2010			–	–			310,517	310,517
Profit for the year	[6]	227,852	- 44,137	- 1,117	- 182,598		310,517	310,517
Shareholders' equity		1,295,767	- 44,137	–	–	–	313,340	1,564,970

EXPLANATORY NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL

The Company Financial statements are part of the Financial statements 2011 of Royal Boskalis Westminster N.V. (the 'Company').

2. PRINCIPLES OF FINANCIAL REPORTING

2.1 ACCOUNTING POLICIES

The company financial statements have been drawn up using the reporting standards applied for drawing up the consolidated financial statements, in accordance with Section 362(8), Part 9 of Book 2 of the Netherlands Civil Code except for the investment in Group company, which is recognized in accordance with the equity method. Based on Section 362(1), Part 9 of Book 2 of the Netherlands Civil Code, the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These accounting principles are disclosed in note 3 of the consolidated financial statements.

2.2 FORMAT

Unless stated otherwise, all amounts in these explanatory notes are stated in thousands of euros. The company balance sheet is drawn up before profit appropriation. The company income statement is limited in accordance with Section 402, Part 9 of Book 2 of the Netherlands Civil Code.

2.3 INVESTMENT IN GROUP COMPANIES

Investments in Group companies are accounted for using the equity method, as described in the principles of Financial Reporting relating to associated companies in the consolidated Financial statements.

2.4 AMOUNTS DUE FROM GROUP COMPANIES

Amounts due from Group companies are stated initially at fair value and subsequently at amortized cost using the effective intereste rate less impairments.

2.5 AMOUNTS DUE TO GROUP COMPANIES

Amounts due to Group companies are recognized initially at fair value and subsequently at amortized cost using the effective intereste rate.

2.6 RESULT OF GROUP COMPANY

The result of Group company consists of the share of the Company in the result after taxation of this Group company. Results on transactions, where the transfer of assets between the Company and its Group companies and mutually between Group companies themselves are not incorporated as far as they can be deemed to be unrealised.

3. INVESTMENTS IN GROUP COMPANIES

Investments in Group companies consists solely of the 100% investment in Boskalis Westminster Dredging B.V., Papendrecht. The movements in this investment are shown below

	2011	2010
Balance as at January 1	**1,556,166**	1,294,826
Dividends received	**- 40,000**	- 52,000
Profit for the year	**254,254**	310,517
Movements directly recognized in equity of group company	**- 41,726**	2,823
Balance as at December 31	**1,728,694**	1,556,166

Reference is made to the notes 16 and 30.1 of the consolidated financial statements 2011 for an overview of the most important direct and indirect Group companies.

4. ISSUED CAPITAL AND SHARE PREMIUM

The authorized share capital of € 240 million is divided into 150,000,000 ordinary shares with a par value of € 0.80 each and 50,000,000 cumulative protective preference shares with a par value of € 2.40 each.

Issued capital increased by 2,497,479 ordinary shares in the course of 2011 as a result of the distribution of stock dividend.

(in number of shares)	**2011**	2010
On issue and fully paid at January 1	**100,974,263**	98,651,289
Stock dividend	**2,497,479**	2,322,974
On issue and fully paid at December 31	**103,471,742**	100,974,263

The issued capital as at December 31, 2011 consists of 103,471,742 ordinary shares with a par value of € 0.80 each and consequently amounts to € 82.8 million (2010: € 80.8 million).

Of the issued capital as at December 31, 2011, six ordinary shares were owned by Royal Boskalis Westminster N.V.

The as yet unexercised option right to take cumulative protective preference shares in Royal Boskalis Westminster N.V. has been assigned to the Stichting Continuïteit KBW.

Share premium comprises additional paid-in capital exceeding the par value of outstanding shares. Share premium is distributable free of tax.

5. OTHER RESERVES

With regard to the difference between the cost price and equity value of entities, either consolidated proportionally as well as associated companies recognized in accordance with the equity method, a legally required reserve is recognized because of a lack of control over the distribution of profits only to the extent that these differences are not included in the accumulated currency translation differences on foreign operations. The legal reserve for non-distributed profits of group and/or associated companies amounted to € 307.3 million at the end of 2011 (2010: € 203.5 million). The legal reserve for associated companies is determined on an individual basis.

The other reserves recognized in the company balance sheet are disclosed in the notes to the consolidated financial statements (note 22.5).

6. PROFIT FOR THE YEAR

An amount of € 126.0 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, € 128.3 million, for a dividend payment of € 1.24 per ordinary share.

The dividend will be made payable in ordinary shares to be charged to the tax-exempt share premium or to be charged to the retained earnings, unless a shareholder expressly requests payment in cash.

7. FINANCIAL INSTRUMENTS

General
Pursuant to its use of financial instruments, the Group is exposed to credit risk, liquidity risk and market risk. The notes to the consolidated financial statements provide information on the Group's exposure to each of the aforementioned risks, its objectives, principles and procedures for managing and measuring these risks, as well as group capital management. These risks, objectives, principles and procedures for managing and measuring these risks as well as capital management apply mutatis mutandis to the company financial statements of Royal Boskalis Westminster N.V.

Fair value
The fair value of most of the financial instruments presented in the balance sheet, including receivables, securities, cash and cash equivalents and current liabilities are close to the book value.

8. REMUNERATION OF MEMBERS OF THE BOARD OF MANAGEMENT AND MEMBERS OF THE SUPERVISORY BOARD

The remuneration of members of the Board of Management and members of the Supervisory Board is disclosed in the consolidated financial statements under related party transactions (note 30.2).

9. AUDITOR REMUNERATION

With reference to Section 382A, Part 9 of Book 2 of the Netherlands Civil Code, KPMG Accountants N.V. has charged the following fees to the Company, its subsidiaries and other consolidated entities:

	2011	2010
Audit of the financial statements	**816**	980
Other audits	**92**	132
	908	1,112

Total audit fees, including fees for auditors other than KPMG Accountants N.V., related to the audit of the financial statements amount to € 1.6 million (2010: € 1.4 million).

10. COMMITMENTS AND CONTINGENT LIABILITIES

Royal Boskalis Westminster N.V. heads a fiscal unity. The company is therefore liable for the tax obligations of the fiscal unity as a whole.

The Company has arrangements with third parties, amongst which banks and pension funds. These arrangements are on behalf of her Group companies. Because the risks and rewards are with these Group companies, the costs are charged to these companies and the liabilities are recognized by these companies. The Company is jointly and severally liable for the fulfillment of the liabilities under aforementioned arrangements.

The company has issued guarantees on behalf of project-driven construction consortiums, and Group companies' own contracts, amounting to € 1 million as at December 31, 2011 (2010: € 1 million). In addition, certain recourse obligations exist in respect of project financing. Where deemed necessary, provisions have been made.

Some legal proceedings and investigations are ongoing with respect to entities of Royal Boskalis Westminster N.V. Where deemed necessary, provisions have been made.

Papendrecht / Sliedrecht, March 14, 2012

Supervisory Board
J.M. Hessels, chairman
H.J. Hazewinkel
M.P. Kramer
M. Niggebrugge
J. van Wiechen
C. van Woudenberg

Board of Management
dr. P.A.M. Berdowski, chairman
T.L. Baartmans
J.H. Kamps

OTHER INFORMATION

PROVISIONS IN THE ARTICLES OF ASSOCIATION RELATING TO PROFIT APPROPRIATION

ARTICLE 28.

1. From the profits realized in any financial year, first of all, distributions will be made on cumulative protective preference shares if possible, in the amount of the percentage specified below of the amount that has to be paid up on these shares as from the beginning of the financial year to which the distribution is related. The percentage referred to above equals the average Euribor interest rate determined for loans with a term of one year – weighted in respect of the number of days to which this interest rate applied – during the financial year to which the distribution is related, increased by four percentage points at most; this increase will be determined every five years by the Board of Management subject to the approval of the Supervisory Board. If in the financial year in respect of which the above-mentioned distribution takes place, the amount that has to be paid up on cumulative protective preference shares has been reduced or, pursuant to a resolution for further payment, has been increased, the distribution shall be reduced or, if possible, be increased by an amount equal to the above-mentioned percentage of the amount of the reduction or the increase, as the case may be, calculated from the moment of the reduction or from the moment further payment became compulsory. If in the course of any financial year cumulative protective preference shares have been issued, the dividend on those cumulative protective preference shares shall be reduced for that year in proportion to the day of issue, taking into account a part of a month as a full month.
2. If and in so far as the profit is not enough to realize the distribution referred to in paragraph 1, the deficit shall be distributed from the reserves, subject to statutory provisions.
3. If in any financial year the profit referred to in paragraph 1 is not enough to realize the distributions referred to above in this article, and furthermore no distribution or only a partial distribution from the reserves as referred to in paragraph 2 is realized, so that the deficit is not or not completely distributed, the provisions of this article and the provisions of the following paragraphs shall only apply in the following financial years after the deficit has been made up for. After application of paragraphs 1, 2 and 3, no further distribution shall take place on the cumulative protective preference shares.
4. Out of the remaining profit, an amount shall be reserved annually to the extent as shall be determined by the Board of Management under approval of the Supervisory Board. The remaining part of the profits after reservation, as referred to in the immediately preceding sentence, is at the free disposal of the General Meeting of Shareholders and in case of distribution, the holders of ordinary shares will be entitled thereto in proportion to their holding of ordinary shares.

ARTICLE 29.

1. Dividends shall be made available for payment within thirty days of their declaration, or any sooner as the Board of Management may determine.
2. Unclaimed dividends will revert to the company after five years.
3. If the Board of Management so decides, subject to the approval of the Supervisory Board, an interim dividend shall be distributed, subject to the preference of the cumulative protective preference shares and the provisions of Article 2:105 of the Dutch Civil Code.
4. The General Meeting of Shareholders may decide, on the proposal of the Board of Management, that dividends will be distributed fully or partially in the form of shares in the company or depositary certificates thereof.
5. The company may only realize distributions to the shareholder to the extent that its equity capital exceeds the amount of the subscribed capital, increased by the reserves that have to be maintained by law or by the articles of association.
6. A deficit may only be offset against reserves that have to be maintained by law to the extent that this is permitted by the law.

PROPOSED PROFIT APPROPRIATION 2011

An amount of € 126.0 million will be added to the retained earnings. The proposal to the Annual General Meeting will be to appropriate the remainder, € 128.3 million, for a dividend payment of € 1.24 per share.

The dividend will be made payable in ordinary shares to be charged to the tax-exempt share premium or to be charged to the retained earnings, unless a shareholder expressly requests payment in cash.

INDEPENDENT AUDITOR'S REPORT

To: Annual General Meeting of Shareholders of
Royal Boskalis Westminster N.V.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2011 of Royal Boskalis Westminster N.V., Sliedrecht, as set out on pages 61 to 118. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December, 2011, the consolidated income statement, the consolidated statement of recognized and unrecognized income and expenses, the consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December, 2011, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Royal Boskalis Westminster N.V. as at 31 December, 2011 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of Royal Boskalis Westminster N.V. as at 31 December, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, as set out on pages 33 to 57, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 14 March, 2012

KPMG Accountants N.V.
D.J. Randeraad RA


Boskalis

OTHER INFORMATION

TEN YEARS BOSKALIS (1)(14)

(in € 1 million, unless stated otherwise)		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenue (work done)		**2,801**	2,674	2,175	2,094	1,869	1,354	1,156	1,020	1,046	1,035
Order book (work to be done)	*(3)*	**3,489**	3,248	2,875	3,354	3,562	2,543	2,427	1,244	1,202	1,273
EBIT	*(5)*	**354.1**	401.9	249.3	339.1	245.5	150.3	82.3	47.5	69.6	99.6
EBITDA	*(6)*	**590.5**	621.5	444.9	454.6	348.1	236.8	162.5	136.5	148.9	166.2
Net result		**254.3**	310.5	227.9	249.1	204.4	116.6	62.7	33.9	70.9	82.1
Net group profit	*(7)*	**261.0**	312.9	229.2	250.1	207.1	117.0	63.3	34.1	70.9	82.1
Depreciation, amortization and impairment losses		**236.4**	219.6	195.7	115.4	102.5	86.6	80.2	89.0	79.3	66.6
Cash flow		**497.4**	532.5	424.8	365.6	309.6	203.6	143.5	123.1	150.2	148.7
Shareholders' equity	*(3)*	**1,732.8**	1,565.0	1,295.8	860.1	768.1	618.6	542.9	467.9	455.2	413.0
Average number of outstanding shares (x 1.000)	*(8)*	**102,391**	99,962	88,372	85,799	85,799	85,799	85,254	83,307	79,890	77,847
Number of outstanding shares (x 1.000)	*(9)*	**103,472**	100,974	98,651	85,799	85,799	85,799	85,799	84,522	81,768	77,910
Personnel (headcount)	*(4)*	**13,935**	13,832	10,514	10,201	8,577	8,151	7,029	7,033	3,186	3,285
Ratios (percentages)											
Operating result as % of the turnover		**12.6**	15.0	11.5	16.2	13.1	11.1	7.1	4.7	6.7	8.9
Return on capital employed	*(10)*	**12.1**	18.1	20.2	29.1	27.7	19.1	12.0	7.0	16.0	20.3
Return on equity	*(11)*	**15.4**	21.7	21.1	30.6	29.5	20.1	12.4	7.2	16.3	20.8
Solvency	*(3) (12)*	**37.4**	37.1	46.5	34.0	35.3	39.4	41.3	38.1	42.5	41.6
Figures per share (x € 1.00)											
Profit	*(8) (13)*	**2.48**	3.11	2.58	2.90	2.38	1.36	0.74	0.41	0.89	1.05
Cash flow	*(8)*	**4.86**	5.30	4.81	4.26	3.61	2.37	1.68	1.48	1.88	1.91
Dividend		**1.24**	1.24	1.19	1.19	1.19	0.68	0.37	0.25	0.35	0.42
Share price range (x € 1.00)											
(Depositary receipts of) ordinary shares		**20.67**	23.16	13.25	15.30	21.06	14.67	8.58	6.02	5.50	5.93
		38.46	36.58	28.45	42.45	46.25	25.48	18.75	8.33	7.72	11.85

(1) Figures taken from the financial statements. As from 2004 all amounts are in accordance with EU-IFRS.
(2) Results on work in progress from 2003 onwards based on work done and 2002 based on completed contracts.
(3) As at December 31, 2003 amended for EU-IFRS
(4) As at December 31, 2004 amended for EU-IFRS
(5) Consists of earnings before share in result of associated companies, finance income and expenses and taxation.
(6) Consists of earnings before share in result of associated companies, finance income and expenses, taxation, depreciation, amortization and impairment losses
(7) As from 2004: net result + net profit attributable to non controlling interests.
(8) Weighted average number of outstanding shares less the number of shares owned by the company.
(9) Number of outstanding ordinary shares less the number of shares owned by the company as at December 31.
(10) Net result + interest paid on long-term loans as % of the average capital employed (shareholders' equity + long-term loans).
(11) Net result as % of the average shareholders' equity.
(12) Group equity as % of the balance sheet total (fixed assets + current assets).
(13) The dilution effect was practically nil up to and including the financial year 2011.
(14) On May 21, 2007 Royal Boskalis Westminster N.V. effected a share split on a three-for-one basis (three new shares for one old share) in order to increase the liquidity of the Boskalis share. For comparative purposes the data regarding the number of shares and figures per share of all the periods has been recalculated to the situation after the split of the ordinary Boskalis shares in 2007.

STICHTING CONTINUÏTEIT KBW

REPORT

By decision of the General Meeting of Shareholders held on 9 May 2001 the foundation Stichting Continuïteit KBW was granted the right to acquire cumulative protective preference shares in Royal Boskalis Westminster N.V. for a nominal amount equal to the nominal amount of ordinary shares outstanding at the time of issue of the shares concerned. The option of issuing such cumulative protective preference shares was not exercised during the period under review.

The Board of Stichting Continuïteit KBW consists of three members:

J.A. Dekker – chairman
J.F. van Duyne
P.N. Wakkie

DECLARATION OF INDEPENDENCE

The Board of Stichting Continuïteit KBW and the Board of Management of Royal Boskalis Westminster N.V. hereby declare that in their opinion Stichting Continuïteit KBW is an independent legal entity, separate from Royal Boskalis Westminster N.V., as defined in Section 5:71, first paragraph under c of the Dutch Financial Supervision Act.
Papendrecht / Sliedrecht, 14 March 2012
Royal Boskalis Westminster N.V.
Board of Management

`s-Gravenland, 14 March 2012
Stichting Continuïteit KBW
The Board

SUPERVISION, BOARD AND MANAGEMENT

MEMBERS OF THE SUPERVISORY BOARD

MR. J.M. HESSELS (1942), CHAIRMAN

- date of first appointment 17 August 2011, current term ends 2015
- former chairman of the Management Board of Royal Vendex KBB N.V.
- chairman of the Board of NYSE Euronext, Inc.
- member of the Supervisory Board of Heineken N.V.
- member of the Supervisory Board of S.C. Johnson & Son, Inc.
- chairman of the Central Planning Committee (at CPB Netherlands Bureau for Economic Policy Analysis)

MR. H.J. HAZEWINKEL (1949), DEPUTY CHAIRMAN

- date of first appointment 27 March 2010, current term ends 2014
- former chairman of the Management Board of Royal Volker Wessels Stevin N.V.
- chairman of the Supervisory Board of TKH Groep N.V., Heisterkamp Beheer II B.V. and Reggefiber B.V.
- member of the Supervisory Board of Zeeman Groep B.V., Zorgpunt Holding B.V., SOWECO N.V. and Schiphol Group N.V.
- member of the Supervisory Board of the Netherlands Symphony Orchestra
- member of the Board of Stichting ING Aandelen
- member of the Board of Stichting Slagheek

MR. M.P. KRAMER (1950)

- date of first appointment 19 August 2009, current term ends 2012
- former Chief Executive Officer of N.V. Nederlandse Gasunie
- Chief Executive Officer of South Stream project
- chairman of the board of the Royal Dutch Gas Association (KVGN)

MR. M. NIGGEBRUGGE (1950)

- date of first appointment 30 August 2006, current term ends 2013
- former member of the Executive Board of N.V. Nederlandse Spoorwegen
- member of the Supervisory Board of SPF Beheer B.V.
- member of the Supervisory Board of Diakonessenhuis Utrecht

MR. J. VAN WIECHEN (1972)

- date of first appointment 12 May 2011, current term ends 2015
- director of HAL Investments B.V.
- non-executive member of the Board of Directors of Dockwise Ltd.
- chairman of the Supervisory Board of N.V. Nationale Borgmaatschappij
- member of the Supervisory Board of Atlas Services Group Holding B.V., Mercurius Groep B.V., FD Mediagroep B.V., InVesting B.V. and Orthopedie Investments Europe B.V.

MR. C. VAN WOUDENBERG (1948)

- date of first appointment 9 May 2007, current term ends 2015
- former member of the Executive Committee of Air France-KLM
- member of the Supervisory Board of Royal Grolsch N.V., Mercurius Groep B.V., MN Services N.V. and the Netherlands Chamber of Commerce
- member of the Supervisory Board of The Arnhem Philharmonic Orchestra (Het Gelders Orkest)

All members of the Supervisory Board have the Dutch nationality. They do not hold shares or associated option rights in Royal Boskalis Westminster N.V.

Secretary: Ms. F.E. Buijs (1969)

MEMBERS OF THE BOARD OF MANAGEMENT

DR. P.A.M. BERDOWSKI (1957), CHAIRMAN

- chairman of the Board of Management since 2006
- member of the Board of Management since 1997
- chairman of the Supervisory Board of Amega Holding B.V. and N.V. Holding Westland Infra
- member of the Supervisory Board of Van Gansewinkel Groep B.V.

MR. T.L. BAARTMANS (1960)

- member of the Board of Management since 2007
- chairman of the Netherlands Association of International Contractors (NABU)
- member of the Executive Board of the International Association of Dredging Companies (IADC) and Mutual Insurance Association (Munis)

MR. J.H. KAMPS (1959), CHIEF FINANCIAL OFFICER

- member of the Board of Management since 2006
- member of the Executive Board of Stichting Fondsenbeheer Waterbouw and Stichting Bedrijfstakpensioenfonds Waterbouw
- chairman of the Board of Stichting Pensioenfonds Boskalis

All members of the Board of Management have the Dutch nationality. They do not hold shares or associated option rights in Royal Boskalis Westminster N.V.

Secretary: Ms. F.E. Buijs (1969)

From left to right:
J.H. Kamps,
dr. P.A.M. Berdowski,
T.L. Baartmans

GROUP MANAGEMENT

dr. P.A.M. Berdowski	chairman Board of Management
T.L. Baartmans	member Board of Management, group director International
J.H. Kamps	member Board of Management, Chief Financial Officer
F.A. Verhoeven	chairman board of directors SMIT
P. van der Linde	group director European Home Markets

CORPORATE STAFF

IR & Corporate Communications	M.L.D. Schuttevâer
Group Controlling	J.O.B. Goslings
Fiscal Affairs	R.J. Selij
Treasury & Insurance	F.A.J. Rousseau
Company secretary	F.E. Buijs
ICT	M.J. Krijger
SHE-Q	W. Haaijer
Strategy & Business Development	T.R. Bennema

OPERATIONAL STAFF

Personnel & Organization	J. den Hartog
Research & Development	dr. A.C. Steenbrink
Dredging Department	H. Postma
Central Technical Department	E.C. Holman
Rock Department	J. de Reus
	S.G. van Keulen

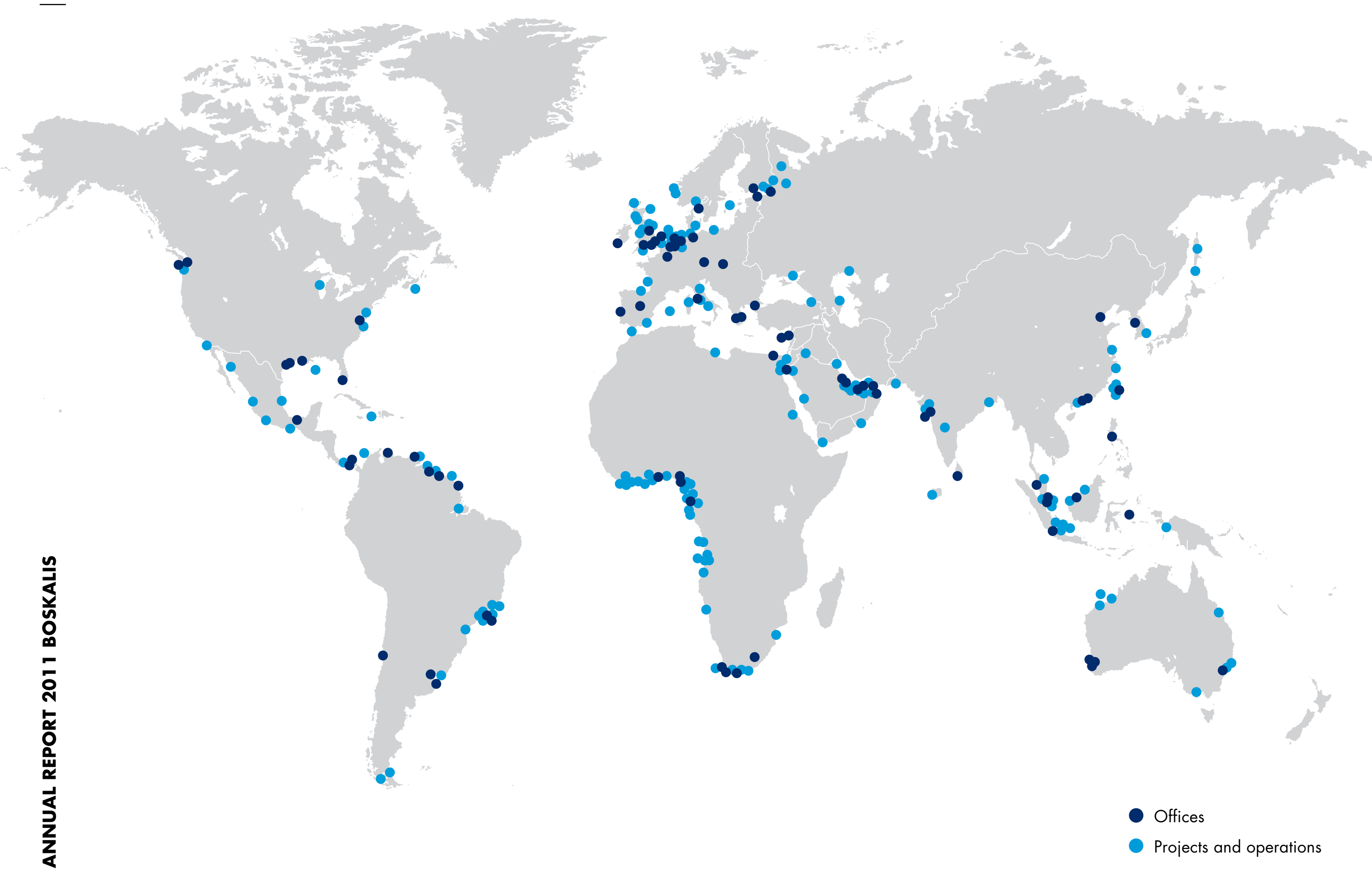
DREDGING & EARTHMOVING

HARBOUR TOWAGE

SALVAGE, TRANSPORT & HEAVY LIFT

TERMINAL SERVICES

MARITIME INFRASTRUCTURE



DREDGING & EARTHMOVING

INTERNATIONAL PROJECTS MARKET

Area Europe
M. Siebinga, J.M.L.D. Dieteren
Area Middle
P.G.R. Devinck, B. Fresel,
J.H. Wiersma, M. van der A
Area Middle-East
J. Boender, K.A. Vakanas
Area East
L. Slinger, P.M. de Jong, N.A. Haworth
Area West
P. Klip

HOME MARKETS

The Netherlands
Boskalis B.V.:
P. van der Knaap, B.J.H. Pröpper
United Kingdom
Westminster Dredging Company Ltd:
H.H.A.G. Wevers, J. Verdoorn
Germany
Heinrich Hirdes GmbH:
H.G. Peistrup
Nordic (Finland and Sweden)
Terramare Oy and Boskalis Sweden AB:
J.K. Yletyinen, H. Lindström
Mexico
Dragamex S.A. de C.V.:
A. Landewee
Nigeria
Nigerian Westminster Dredging & Marine Ltd:
F.J. Buitenhuis

SPECIALIST NICHE SERVICES

Offshore services
Boskalis Offshore B.V.:
J.F.A. de Blaeij, S.G.M. van Bemmelen
Environmental contracting
Boskalis Dolman B.V.:
J.A. Dolman
Soil-improvement techniques
Cofra B.V.:
J.K. van Eijk
Underwater rock fragmentation
Rock Fall Company Ltd:
C. Fergusson

BOARD OF DIRECTORS OF SMIT

F.A. Verhoeven
chairman and managing director of Salvage, Transport & Heavy Lift
L.F.J. Kullberg
managing director of Harbour Towage and Terminals
H.J. Hilhorst
director Finance

HARBOUR TOWAGE

North-West Europe
P. Vierstraete
M.J. van den Akker (UK)
Americas
F.J. Tjallingii (Canada)
P.J.G. van Stein (Brazil)
W.M. van der Dussen (Panama)
Asia
M. Wong (Singapore)
P. Zhang (China)
V. Tsai (Taiwan)
B. Chew Chin Heng, J. Wong (Keppel SMIT Towage)
Australia
F.N.R. Rutgers

SALVAGE, TRANSPORT & HEAVY LIFT

SALVAGE

J. Halfweeg
D. Martin (US)
D. Main (South Africa)
R.Th. Peek (Singapore)

TRANSPORT & HEAVY LIFT

Europe
M. Meeuwisse (Transport & Heavy Lift Europe)
W.B. Vogelaar (SMIT Marine Projects)
S. Korte (SMIT Subsea)
Africa
P. Maclons (SMIT Amandla Marine)
P.D. Murray (SMIT Transport)
J. Wengrowe (SMIT Subsea Africa)
M. Shilbaya (Ocean Marine Egypt)
Asia
J. Bruinsma (SMIT Transport Asia)
J. Chua Bee Hin (Asian Lift)
UAE
P. Cottrell (SMIT Subsea Middle East)

TERMINAL SERVICES

Smit Lamnalco
D.M. Koornneef, R.F.P. van 't Hof, M.A.A. de Jonge

WORKS COUNCIL

T.A. Scheurwater (chairman), C.C. Brijder, W.G. Burger, C.A. van Dam, J.C. Elenbaas, A.D. Groeneveld, A. Kastelein, A.M.W. Kruithof, S. van der Land, B.A.J. Mes (vice-chairman), F. Pronk, J.G. Roos, W.L. Stander, F.R. Timmer, M. Treffers, D.A. van Uitert, M.F. van Wijk (secretary), P.E. den Otter-Bakker (administrative secretary)

LEGAL STRUCTURE

Royal Boskalis Westminster N.V.

Boskalis Westminster Dredging B.V.

Holding and service companies

A selection of operating companies and participating interests

Boskalis Holding B.V.
MNO Vervat B.V.
MNO Vervat – International B.V.

Baggermaatschappij Boskalis B.V.
Boskalis Dolman B.V.
Cofra B.V.
Hydronamic B.V.

Boskalis B.V.
Aannemingsmaatschappij Markus B.V.
A.H. Breijs & Zonen B.V.
J. van Vliet B.V.

Boskalis Westminster International B.V
Heinrich Hirdes GmbH
Heinrich Hirdes Kampfmittelräumung GmbH
Atlantique Dragage SARL
OOO Bolmorstroy
OOO Mortekhnika (50%)
UAB Boskalis Baltic
BKW Dredging & Contracting Ltd.
Sociedad Española de Dragados S.A.
Boskalis Dredging India Pvt Ltd.
Boskalis Polska Sp. z O.O.
Boskalis Italia S.r.l.
Dragapor Dragagens de Portugal S.A.
Boskalis Sweden AB
Terramare Oy
Terramare Eesti Osaühing
Boskalis Westminster (Oman) LLC (49%)
Nigerian Westminster Dredging & Marine Ltd. (60%)

Boskalis Westminster Ltd.
Westminster Dredging Company Ltd.
Rock Fall Company Ltd.
Westminster Dredging (Overseas) Ltd.
Irish Dredging Company Ltd.
Westminster Gravels Ltd.
RW Aggregates Ltd. (50%)
Cofra Ltd.

Boskalis International B.V.
Adreco – Serviços de Dragagem Ltda (49%)
Boskalis Taiwan Ltd.
Beijing Boskalis Dredging Technology co Ltd.
Boskalis Panama S.A.
BKI Gabon S.A.
Boskalis Australia Pty. Ltd.
Dragamex S.A. de C.V.
Riovia S.A.
Dravensa C.A.
Boskalis Westminster St. Lucia Ltd.
Boskalis International Uruguay S.A.
Boskalis Guyana Inc.
Boskalis International (S) Pte Ltd.
Koon Zinkcon Pte Ltd. (50%)
P.T. Boskalis International Indonesia
Rock Braz B.V. (50%)
Boskalis Zinkcon B.V.
Boskalis International (M) Sdn Bhd (30%)
Zinkcon Marine Singapore Pte Ltd.
Overseas Contracting & Chartering Services B.V. (50%)
Boskalis do Brasil Dragagem e Serviços Maritinos Ltda.
Boskalis International Egypt for Marine Contracting S.A.E. (49%)

Other
Archirodon Group N.V. (40%)
Boskalis Westminster Inc.
Stuyvesant Dredging Company
Stuyvesant Projects Realization Inc
Stuyvesant Environmental Contracting LLC
Dredging & Contracting Belgium N.V.
Boskalis Canada Dredging & Marine Services Ltd

Boskalis Offshore B.V.
Boskalis Offshore A.S.

Boskalis Westminster Middle East Ltd.
Lamnalco Ltd. (50%)
Lamnalco (Sharjah) Ltd. (35%)
Lamnalco LLC (50%)
Boskalis Westminster Al-Rushaid Ltd. (49%)

BW Marine (Cyprus) Ltd.

Boskalis Finance B.V.
Boskalis Maritime Investments B.V.
BW Marine B.V.

Smit Internationale N.V.

Smit International Overseas B.V.
Adriatic Towage S.R.L. (50%)
Ocean Marine Egypt S.A.E. (50%)
Rebras Rebocadores Do Brasil S.A.
Rotterdam Tug B.V.
Smit Canada Inc.
Smit Caribbean Ltd.
Smit China Marine Services B.V.
Smit Harbour Towage (U.K.) Ltd.
Smit Harbour Towage (Panama) Inc.
Smit Subsea Middle East L.L.C. (49%)
Smit Subsea Africa Ltd.
Smit Taiwan Investments Holding Co. Ltd.
Smit Marine Australia Pty Ltd.
Unie van Redding- en Sleepdienst N.V.
Unie van Redding- en Sleepdienst België N.V.
Smit Transport Belgium N.V.

Smit Internationale Beheer B.V.
Smit Harbour Towage Rotterdam B.V.
Smit Heavy Lift Europe B.V.
Smit Subsea Europe B.V.
Smit Nederland B.V.
Smit Salvage B.V.
Smit Holding Singapore Private Ltd
Smit Shipping Singapore Private Ltd
Smit Singapore Pte Ltd
Keppel Smit Towage Pte. Ltd. (49%)
Asian Lift Pte. Ltd. (50%)
Smit Marine Projects B.V.
Smit Maritime Contractors B.V.
Smit Transport Europe B.V.
Smit Vessel Management Services B.V.

DISCLOSURES REQUIRED BY THE DECREE ARTICLE 10 OF THE EU DIRECTIVE ON TAKEOVER BIDS

Under the Decree article 10 of the EU Directive on takeover bids companies whose securities are admitted to trading on a regulated market must disclose information in their annual reports on matters including their capital structure and the existence of any shareholders with special rights. In accordance with these requirements, Boskalis hereby makes the following disclosures:

a. For information on the capital structure of the company, the composition of the issued capital and the existence of various types of shares, please refer to page 93 of the notes to the consolidated financial statements in this annual report. For information on the rights attached to these shares, please refer to the company's Articles of Association which can be found on the company website. To summarize, the rights attached to ordinary shares comprise pre-emptive subscription rights upon the issue of ordinary shares, the entitlement to attend the General Meeting of Shareholders, and to speak and vote at that meeting, and the right to distribution of such amount of the company's profit as remains after allocation to reserves. As at December 31, 2011 the entire issued capital consisted of ordinary shares (registered and bearer shares). These are only issued against payment in full.

b. The company has imposed no limitations on the transfer of ordinary shares. The Articles of Association have stipulated a blocking procedure for protective preference shares. The company is not aware of any shares having been exchanged for depositary receipts.

c. For information on equity stakes in the company to which a notification requirement applies (pursuant to Sections 5:34, 5:35 and 5:43 of the Financial Supervision Act), please refer to the section 'Investor Relations' on page 19 of this annual report. Under the heading 'Shareholders' you will find a list of shareholders whom the company knows to have holdings of 5% or more at the stated date.

d. There are no special control rights or other rights associated with shares in the company.

e. The company does not operate a scheme granting employees rights to acquire or obtain shares in the capital of the company or any of its subsidiaries.

f. No restrictions apply to voting rights associated with the company's shares, nor are there any deadlines for exercising voting rights.

g. No agreements with shareholders exist which may result in restrictions on the transfer of shares or limitation of voting rights.

h. The rules governing the appointment and dismissal of members of the Board of Management and the Supervisory Board and amendment of the Articles of Association are stated in the company's Articles of Association. To summarize the statutory structure regime is applicable to the Company. Members of the Board of Management are appointed and is missed by the Supervisory Board, with the proviso that the General Meeting of Shareholders must be consulted prior to the dismissal of any member of the Board of Management. Supervisory Board members are nominated by the Supervisory Board and appointed by the General Meeting of Shareholders. The Works Council has an enhanced right of recommendation for one-third of the number of the members of the Supervisory Board. The meeting of shareholders can declare a vote of no confidence in the Supervisory Board by an absolute majority of votes cast, representing at least one-third of issued capital. Such a vote of no confidence shall result in the immediate dismissal of the Supervisory Board members. Amendment of the company's Articles of Association requires a decision by a meeting of shareholders in response to a proposal made by the Board of Management with the approval of the Supervisory Board.

i. The general powers of the Board of Management are set out in the Articles of Association of the Company. The powers of the Board of Management in respect of the issuance of shares in the company are set out in article 4 of the company's Articles of Association. To summarize, the General Meeting of Shareholders – or the Board of Management authorized by the general meeting – takes the decision, subject to prior approval by the Supervisory Board, to issue shares, whereby the issue price and other conditions relating to the issue are determined by the general meeting – or the Board of Management authorized by the General Meeting. In the event the Board of Management is authorized to take decisions with respect to the issue of shares, the number of shares that may be issued as well as the term of the authorization must also be determined. Rules governing the acquisition and disposal by the company of shares in its own capital are set out in article 7 of the Articles of Association. To summarize (briefly), the Board of Management may decide, subject to authorization by the meeting of shareholders and to prior approval by the Supervisory Board, for the company to buy back fully paid-up shares up to a statutory maximum of 50% of issued capital. Decisions regarding the disposal of shares acquired by the company are taken by the Board of Management, subject to prior approval by the Supervisory Board.

j. With the exception of the option agreement with Stichting Continuïteit KBW concerning the placement of cumulative protective preference shares as set out in section 27.4 of the financial statements, the company is not a party to any significant agreements which take effect or are altered or terminated upon a change of control of the company as a result of a public offer within the meaning of Section 5:70 of the Financial Supervision Act. The General Meeting of Shareholders of May 9, 2001 decided to grant Stichting Continuïteit KBW the right to acquire protective preference shares.

k. The company has not entered into any agreements with either members of the Board of Management or employees which provide for a pay-out on termination of their employment as a result of a public offer within the meaning of Section 5:70 of the Financial Supervision Act.

GLOSSARY

Acquired orders Contract value of acquired assignments.

Backhoe A large hydraulic excavating machine positioned on the end of a pontoon. The pontoon is held firmly in place using spuds. Backhoes can dredge in a range of soil types with extreme precision.

Bucket dredger The standard, anchored dredger with a revolving chain and buckets that dig into the bed and are discharged. This type of equipment is now mainly used for environmental dredging and other jobs requiring extreme precision, such as dredging tunnel trenches.

Bunker fuel Type of fuel used by oceangoing and other vessels. Bunkering refers to the act or process of supplying a ship with this type of fuel.

Bunker vessel Vessel used to supply oceangoing ships with fuel.

Cash flow Group net profit adjusted for depreciation, amortization and impairments.

Completed contracts Contract value of completed work.

Cost leadership Achieving lowest cost price.

Cutter/Cutter dredger See cutter suction dredger.

Cutter suction dredger A vessel that dredges while being held into place using spuds and anchors. This technique combines powerful cutting with suction dredging. Cutter suction dredgers are mainly used where the bed is hard and compact. The dredged material is sometimes loaded into hoppers but is generally pumped to land through a pressure pipeline.

Decommission To dismantle and/or remove an object.

EBITDA Group earnings before the result of associated companies, interest, tax, depreciation, amortization and impairments.

CO_2 Emissions Carbon dioxide released into the environment.

EU-IFRS IFRS stands for International Financial Reporting Standards. EU-IFRS are financial reporting rules drawn up and issued by the IASB (International Accounting Standards Board) and adopted within the European Union. Since 2005 all publicly listed companies within the European Union have been obliged to comply with these standards in their external financial accounting/reporting.

Fallpipe vessel Vessel that moves over the area to be covered, while dumping the stones on board through a fallpipe. The vessel is kept in place by a dynamic positioning system in which the propellers and rudders are controlled by an automatic system. The end of the pipe is located just a few meters above the level of the surface to be covered. The fallpipe is controlled using a precise positioning system. The fallpipe vessel Seahorse can also be equipped with an A-frame on the aftship and a grab controlled by an ROV (Remotely Operated Vehicle). This makes it possible to dredge down to depths of 1,000 meters.

Floating Sheerlegs Floating cranes for heavy lifting.

FPSO Floating Production Storage and Offloading system. Floating production, storage and transshipment systems that often operate a long way offshore. The systems separate the incoming liquids into oil, gas and water and temporarily store the crude oil. Tankers are used to transport the oil.

Futures A future (derivative) is a so-called forward contract; an agreement between traders to purchase or sell certain financial products on a specified future date at a previously agreed fixed price.

Hazardous substances Liquid or solid substances which present a health hazard and/or are damaging to the environment.

Global Reporting Initiative International organization that develops global standards for sustainability reporting.

Home market Boskalis distinguishes itself from its competitors in the Dredging & Earth-moving segment by the use of a home market strategy. The home market organizations have local marketing profiles, as well as their own fleets and infrastructures. They can rely on the support of the financial and technical resources of the global Boskalis organization. Home markets provide a stable flow of assignments and opportunities to generate additional margins through associated activities.

Hopper/hopper dredger See trailing suction hopper dredger.

International projects market Market that focuses primarily on larger capital expenditure projects for new buildings and/or extensions. In addition, there are projects that regularly involve cooperation with third parties. This makes it possible to provide clients with optimal services and to share risks.

LNG Liquefied Natural Gas.

LTI Lost Time Injury. Expresses the number of workplace accidents serious enough to result in absence from work.

LTIF Lost Time Injury Frequency. Expresses the number of workplace accidents serious enough to result in absence from work, per 200,000 hours worked.

Net Group profit Net result + net profit attributable to non-controlling interests.

Order book The revenue accounted for by parts of orders as yet uncompleted.

Return on capital employed Net result + interest paid on long-term loans as % of the average capital employed (shareholders' equity + long-term loans).

Return on equity Net result as % of the average shareholders' equity.

Revenue work done Volumes produced in a given period. The work may not yet be completed.

Roro (roll-on/roll-off) ship Vessels designed to carry wheeled cargo such as automobiles, trucks, semi-trailer trucks, trailers or railroad cars that are driven on and off the ship on their own wheels.

Rock fragmentation under water Drilling and blasting hard materials such as rock and granite, often to deepen ports and clear navigational channels.

SHE-Q Safety, Health, Environment & Quality.

Solvency Group equity as % of the balance sheet total (non-current assets + current assets).

TEU Twenty feet Equivalent Unit (container); often used to describe the cargo capacity of container ships and container terminals.

Trailing suction hopper dredger A self-propelled unit that loads its well or hopper using centrifugal pumps and pipes that trail over the bed as the ship sails. Trailing suction hopper dredgers can operate independently of other equipment and can transport material over long distances. The dredged material is dumped through flaps or bottom doors, by rainbowing, or pumped onto land using a pipeline.

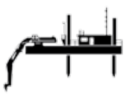
Work in progress Projects that have not been completed on the balance sheet date but that have been finished in part.

EQUIPMENT

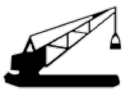
DREDGERS

Trailing suction hopper dredgers — **25**
- Capacity > 6,000 m³ — 9
- Capacity ≤ 6,000 m³ — 16

Cutter suction dredgers — **30**
- Capacity > 12,000 kW — 4
- Capacity ≤ 12,000 kW — 26



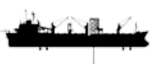
Backhoes — **19**
Bucket capacity from 1.4 to 24 m³



Floating grab cranes — **20**
Grab capacity from 1.2 to 9.2 m³

Other dredging equipment — **27**
bucket dredger, environmental disc cutter, stone placing vessels, barge unloading dredgers, suction dredgers

OFFSHORE VESSELS



Fallpipe vessels — **3**
Capacity from 17,000 to 18,500 tons

Diving support vessels — **4**
Air and saturation diving support, ROV services

Cable laying vessels — **2**
(under construction)

FLOATING SHEERLEGS

Floating sheerlegs — **12**
Capacity from 400 to 5,000 tons

BARGES

Hopper barges — **137**
Capacity from 50 to 3,800 m³

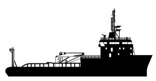
Oceangoing flat top barges (semi-submersible) — **3**
Capacity 24,000 tons

Oceangoing flat top barges — **48**
Capacity from 1,000 to 14,000 tons

Inland barges — **83**
Capacity from 100 to 2,000 tons

TUGS

Oceangoing tugs — **3**
Capacity from 4,478 to 19,403 kW



Anchor handling tugs — **53**
Capacity from 2,239 to 11,194 kW

Coastal/harbor tugs — **289**
Capacity from 358 to 5,224 kW

Harbor/river (pusher) tugs — **101**
Capacity from 75 to 2,089 kW

SUPPORT VESSELS — 47

LAUNCHES, WORK/SUPPLY VESSELS — 127

VARIOUS/OTHERS — 124

The numbers listed above include the vessels and floating equipment of the (non-controlled) associated companies (pro rata) and vessels under construction (15). In addition to the equipment shown here, the group also owns a range of auxiliary equipment such as floating pipelines, winches, pumps, draglines, hydraulic excavators, wheel loaders, dumpers, bulldozers, mobile cranes, crawler drill rigs, sand pillers, filling installations for shore protection, mattresses, fixed land pipelines and a wide variety of salvage equipment, such as fire-fighting, diving and anti-pollution equipment.

Cutter suction dredger *Cyprus II* dredging the entrance channel of TX2 of Superporto do Acu, a project of LLX Logistica, in Sao Joao da Barra (Brazil)

COLOPHON

Compiled and coordinated by
Royal Boskalis Westminster N.V.
Corporate Communications Department
Group Accounting & Reporting Department

www.boskalis.com

DIT DRUKWERK IS 100% CO2 VRIJ GEPRODUCEERD

EU Ecolabel
www.ecolabel.eu

FSC
www.fsc.org
RECYCLED
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